



FINANCIAL TIMES

Tuesday March 7 1989

Table of exchange rates for various currencies including US Dollar, Swiss Franc, Deutsche Mark, etc.

No. 30,787

World News Business Summary

Government of Sudan close to collapse

Sudan Government appeared close to collapse as Mr Sadiq al-Mahdi, Prime Minister, came under renewed political pressure to resign.

Fokker wins \$500m order from ILG for new aircraft

FOKKER, the Dutch aircraft manufacturer, has won a \$500m order for 11 Fokker-100 aircraft and an option for another 11 from International Leasing Group (ILG), a UK travel company.

China, India call for global fund to control CFCs

CHINA yesterday said it was prepared to join the Montreal Protocol on the control of chlorofluorocarbons (CFCs) which deplete the world atmosphere's protective ozone layer.

Goldsmith links with Rothschild to pursue UK buyouts

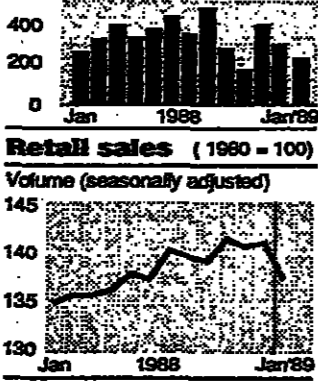
Sir James Goldsmith, the billionaire financier, has linked with Mr Jacob Rothschild to return to the UK corporate acquisition trail.

Moscow plan on nuclear arms opposed

THE Soviet Union yesterday proposed separate negotiations on the reduction of tactical nuclear weapons in Europe.

British Rail inquiry

British Rail began an inquiry following a train collision in Glasgow, Scotland, in which two people died and 44 were injured.



Greenpeace arrives in Red Square

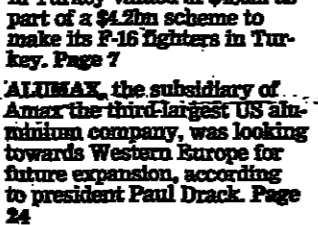
GREENPEACE, the international ecology movement, is set to open an office in the Soviet Union as a result of a unique joint venture with the Soviet state record company.

US drops concept of Mideast conference

THE NEW US Government has shelved the concept of an international peace conference on the Middle East - a plank of Reagan Administration policy - for the time being.

Democrat turns Presidential nominee

President nominee John Tower won his first declared Democratic supporter in the Senate when Alabama Senator Howell Heflin said he would vote for Mr Tower's nomination as Defense Secretary.



Former NTT chief charged in widening Recruit scandal

JAPAN'S Recruit financial scandal claimed another head yesterday with the arrest of Dr Hisashi Shinto, former chairman of Nippon Telegraph & Telephone, Japan's largest company, on bribery charges.

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East bloc aid

Hungary and Poland have appealed for US assistance for efforts to revitalise their economies.

Swiss scandal

Switzerland's public prosecutor resigned in a drugs and money-laundering scandal which has also ended the career of the country's first female government minister.

Greenpeace arrives in Red Square

GREENPEACE, the international ecology movement, is set to open an office in the Soviet Union as a result of a unique joint venture with the Soviet state record company.

Advertisement for BANK OF MONTREAL SINGAPORE BRANCH, CAN \$100,000,000, 11 3/8% Deposit Notes due 6th March 1991.

Palenstians freed

Israel freed 130 Palestinian prisoners in a goodwill gesture but a 19-year-old Palestinian was shot dead by troops during violent protests in the occupied Gaza Strip.

Swiss scandal

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Table of Contents listing various articles and their page numbers, including 'Wage restraint falls to halt Danish slide', 'South Korea: Protection turns to construction in telecom industry', etc.

Walesan negotiations

Solidarity leader Lech Walesa is likely to meet Interior Minister Gen Czeslaw Kiszczak to iron out problems in Warsaw this week in negotiations to legalise the banned union.

Greenpeace arrives in Red Square

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Table of Stock Indices showing New York close, Dow Jones Ind. Av., Nikkei Ave, etc.

Table of Market data including 3-month Treasury bill, US 3-month Treasury bill, etc.

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EUROPEAN NEWS

Italian steel rescue plan blocked

By William Dawkins in Brussels

THE European Commission yesterday blocked a £5.185bn (£3.9bn) rescue plan for Italy's state-owned steel industry...

The £5.185bn represents two thirds of the Italian Government's original aid plan for Iva, cut back at the Bonn Government's insistence...

Hungarians in protest over Danube dam

HUNDREDS OF Hungarians waving banners demonstrated outside the country's Environment Ministry yesterday in protest against a hydroelectric dam...

West German economy makes strong start to the year

THE LATEST West German economic data show the economy had a strong start to the year and some economists predicted that 1989 economic growth could top government forecasts...

forecast economic growth of up to 2.5 per cent this year after 3.4 in 1988. In February, Mr Helmut Haussmann, Economics Minister, said 1989 growth could top Bonn's forecast...

Pragmatism sweeps W German Greens

By David Goodhart in Bonn

THE new pragmatism of West Berlin's Greens, who are on the point of forming a government with the Social Democrats in the city, has now spread to West Germany's Green Party as a whole...

Western alliance takes aim at East bloc tanks and artillery

By Robert Mauthner and Judy Dempsey in Vienna

THE FOLLOWING are the Nato and Warsaw Pact proposals put forward by Sir Geoffrey Howe, the British Foreign Secretary, and Mr Eduard Shevardnadze, the Soviet Foreign Minister...

Europe and of well over 50 per cent in its armoured troop carriers. 3) Limitations on these types of forces when stationed outside their own countries...

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Warsaw Pact seeks three-stage cut to defence-only levels

By Robert Mauthner and Judy Dempsey in Vienna

THE WARSAW Pact's proposals: Mr Shevardnadze proposed a three-stage reduction of armed forces in Europe in the area from the Atlantic to the Urals...

- that is, approximately by 500,000 men - together with their armaments. During the third phase, the armed forces would be given a strictly defensive character...

Another award for Wales

By Robert Mauthner

THE COUNCIL of Europe said yesterday it had awarded its annual Human Rights Prize jointly to Mr Lech Walesa, leader of Poland's Solidarity movement, and the Vienna-based International Helsinki Federation for Human Rights...

Hungary and Poland ask US for economic help

By Judy Dempsey

HUNGARY AND Poland, the two East European countries at the forefront of political and economic reforms, have appealed for greater US assistance for their efforts to revitalise their economies...

US proposes chemical arms conference

By Judy Dempsey

THE US has step up the removal of its existing chemical weapons from West Germany. It has also proposed a meeting of governments and the chemical industry as part of its efforts to stem the proliferation of chemical weapons...

Shevardnadze warning over Rushdie

By Robert Mauthner

WESTERN and Eastern countries should stop playing on each other's difficulties, whether it was Israel's conflict with the Arabs or the West's difficulties in its relations with Iran, Mr Eduard Shevardnadze, the Soviet Foreign Minister, emphasised yesterday...



Mr Shevardnadze (right) and Sir Geoffrey Howe meet in Vienna

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EUROPEAN NEWS

Koskotas claims millions went to Greek government officials

By Andriana Ierodiakonou in Athens

POLITICAL PRESSURE on the Greek Socialist Government to resign over the scandal involving Mr George Koskotas, the former banker and press baron, intensified yesterday after he was quoted as alleging that millions of dollars in misappropriated funds were channelled to top government officials.

Mr Constantine Mitsotakis, leader of the Conservative opposition, countered: "It is monstrous for Mr Papandreou to continue to pose as Prime Minister and to repeat tasteless prattle regarding foreign and Greek conspiracies." He called for the immediate resignation of the Socialists in favour of a non-party Government charged with overseeing a general election within 30 days.

drop in the Socialists' popularity over the Koskotas scandal, the Conservatives are expected to come first in the next elections, scheduled for June 1989. Whether they will secure a majority of seats, however, will depend on the electoral system.



Mr Andreas Papandreou is questioned yesterday in Athens about the latest revelations in the Koskotas affair

New Imhausen chief admits group errors over Libyan plant

By David Marsh in Bonn

THE chairman-designate of Imhausen-Chemie, the West German chemicals concern at the centre of controversy over alleged supply of chemical weapons technology to Libya, has admitted that the company did "something wrong" over the affair.

Mr Uwe Kuntze, appointed to take over the helm of the company from April 1, said Imhausen appeared "not to have respected regulations" over the matter. However, he denied that the company had acted "intentionally or maliciously" over its Libyan connections.

find a firm which is as well equipped. What we need now is peace, and not to have our employees persecuted by the press.

The management change appears above all an attempt to persuade the Bonn Government to resume funding for three Imhausen research projects. The Technology Ministry has suspended DM15m (£1.2m) in payments due to be made up to 1989-91, a decision which Imhausen claims has put 50 jobs at the company at risk.

Wage restraint fails to halt Danish slide

THE WAGE settlements emerging from Denmark's two-year collective bargaining process are turning up the lowest increases in 30 years.

Unemployment averaged 8.5 per cent in 1988 and is expected to head towards 10 per cent over the next two years.

Low pay settlements are welcomed, but help only fractionally, writes Hilary Barnes

last week, argued that if Denmark were to escape a low-growth, high-unemployment trap, a reduction in relative wage levels was required. Devaluation was not mentioned, but in media interviews it was never denied that this might be the only way out.

EC ministers trim technology transfer plan

By William Dawkins in Brussels

WEST GERMANY, France and Britain yesterday led the way in forcing the European Commission to cut drastically a Ecu130m (£84m) plan to encourage the transfer of technology between EC countries.

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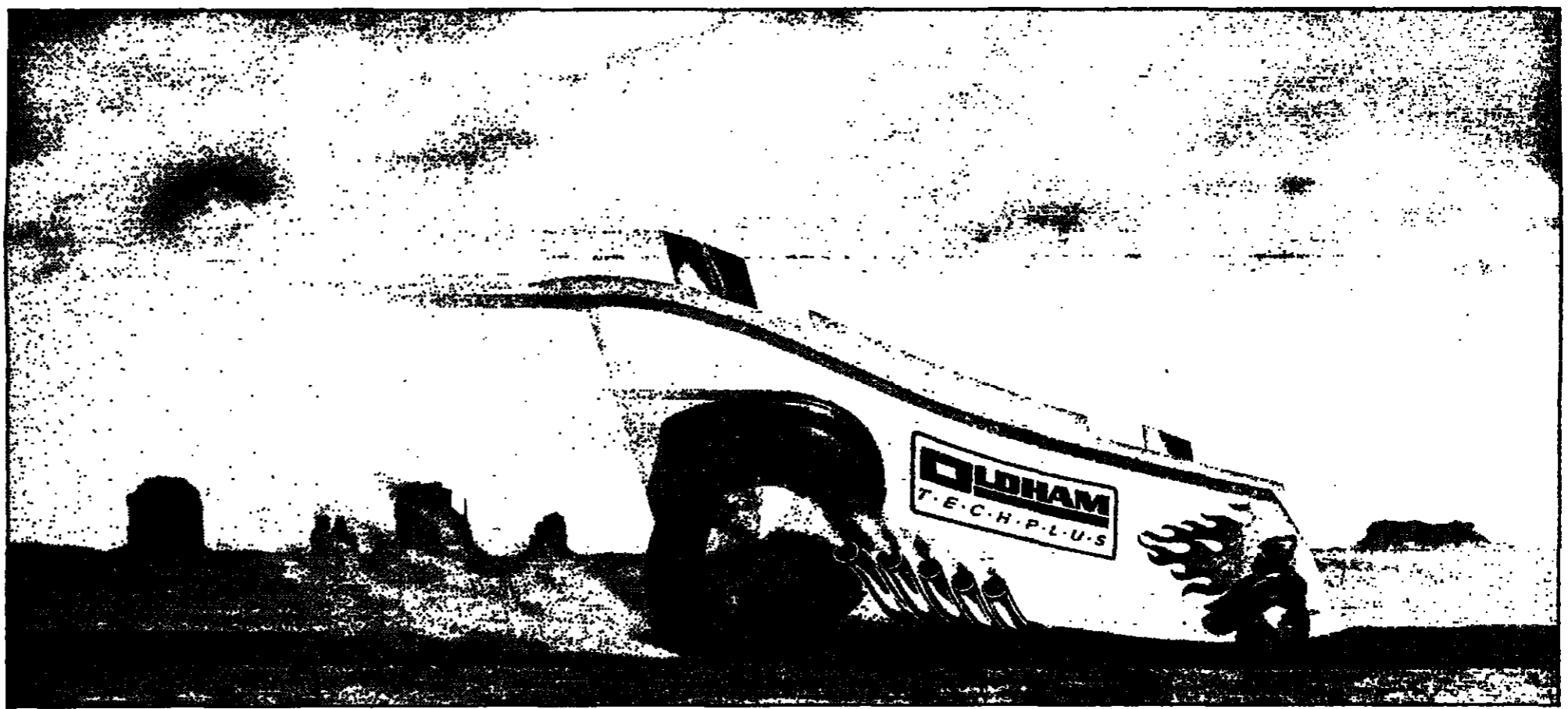
They persuaded a meeting of industry ministers to let faster access to new technologies of all kinds from other

member states, via grants for joint ventures or help with international consultancy costs. However, the three biggest members, backed by Denmark and the Netherlands, argued that the plan overlapped with other small business assistance measures.

Mr Antonio Cardoso Cunha, the European Commissioner responsible for small businesses, yesterday launched a report on the EC's enterprise policy calling for further development of these efforts and more progress towards cutting red tape.

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France's current account deficit narrows in 1988

By Ian Davidson in Paris

THE FRENCH balance of payments deficit on current account improved slightly last year compared with 1987. On the other hand, the December figure showed a clear deterioration compared with both November 1988 and December 1987.

rose to FF9.9bn compared with a deficit of FF7.7bn in November, and a December 1987 surplus of FF88m.

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AMERICAN NEWS

Creditors ease path for new Brazil funds

By Stephen Fidler

BRAZIL'S leading creditor banks have agreed to ease the way for \$800m of delayed new bank funds to Brazil. The disbursement under a rescheduling and new money agreement agreed last year was originally dependent on a controversial \$500m power sector loan from the World Bank.

The power sector loan has been bogged down mainly because of Brazil's incorporation into its Eletrobras utility of the country's nuclear generation capability. The World Bank is not allowed to lend for nuclear power projects.

After meeting Brazilian officials in New York last week, the leading creditor banks agreed to substitute a number of World Bank project loans for the power sector loan.

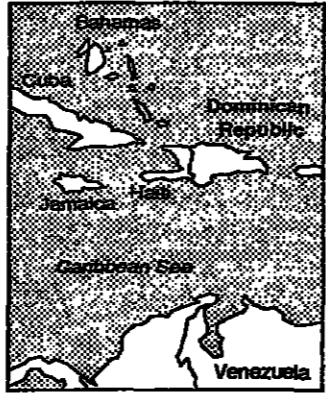
This request will have to be agreed by lenders of two-thirds of the new money.

Caribbean pays the crippling price of foreign debt

Canute James examines methods of easing the burden and solving the region's economic problems

THE Dominican Republic, which has a public foreign debt of \$3.4bn, was required to spend \$907.9m to service its obligations which matured last year.

"If we add arrears accrued by December 1987, this figure is increased to \$1.2bn," said Mr Roberto Martinez, the Finance Minister. "That is 165 per cent of our total exports for 1988."



\$1,245 and Argentinians \$1,665. Third World countries cannot continue financing the industrialised world's prosperity, paying high interest rates and obtaining very low prices for our exportable commodities," Mr Martinez said recently. "The time has come for a transition from what the country must pay to what it can pay in the best of circumstances. It is perfectly feasible

to pay what it is possible to pay, negotiate what is technically demandable, and defer the impossible."

Just what the Caribbean countries can do to ease their crippling debt burdens is not clear. Not many of Mr Martinez's colleagues are willing to go as far as the unilateral action which he implied.

Some governments speak of "growing out" of the debt problems with the aid of new money to expand their economies. But most have found that mounting debt/service ratios and increasing arrears - in the case of Guyana lead to more than slight reluctance on the part of commercial banks, creditor countries and the multilateral institutions to lend more.

The ideal solution for the region's debtors (if not for creditor banks and the Paris Club) is to forgive the debt-quotients. But influential bilateral creditors in the Caribbean, mainly the US, are not willing to consider this.

"Economic growth is the key

to successful debt management," argued Mr Peter Whitney, director of the office of regional economic policy in the US State Department. "The flow of new money alone is not enough, and debt relief will not lead to growth."

Hard-pressed Caribbean central bankers and finance ministers are likely to regard such positions as being obstinate and lacking the flexibility needed to resolve the problem.

Dr Courtney Blackman, former governor of the Barbados central bank, claimed historical precedents to attack creditor countries for adopting double standards. "The debt problems of the lesser developed countries are analogous to those of some European countries after the First and Second World Wars," Dr Blackman contended. "They also cannot pay their debts. There is therefore a need for new inflows and this can only be achieved through debt relief."

The region's debtors have been trying to ease their high service ratios through refinancing agreements with Paris Club and commercial bank creditors. Others, such as the Dominican Republic and Guyana, have been forced to accumulate arrears.

Various forms of debt-swapping are planned by some governments. The Jamaica Government has proposed that multilateral institutions oversee new payments schedules and new loans.

Mr Whitney argued, however, that all these plans were likely to fail unless indebted governments reorganised their domestic economies and implemented structural adjustment policies.

"Inflation must be brought under control and policies for freer trade must be implemented. Incentives for production must be given and there is need for greater fiscal discipline."

But new financial inflows as a consequence of these measures have not been Guyana's experience, said Mr Winston Murray, the Trade Minister. The Guyanese Government is

hoping to conclude a standby credit agreement with the International Monetary Fund in the next few months.

Mr Murray said his Government had started implementing the framework of an IMF package, deregulating trade, divesting and closing inefficient state enterprises and encouraging greater local and foreign private sector involvement in the economy.

Countries are being forced to borrow increasingly from agencies such as the IMF, the World Bank and the Inter-American Development Bank.

"The one category of debt which is not being addressed is that owed to the multilateral institutions," Mr Murray observed in suggesting that changes be made so that institutions such as the IMF and World Bank could discuss refinancing.

But with such changes, if they are made, unlikely to solve the immediate and pressing problems of the Caribbean, Mr Murray argues for more flexibility.

Jamaica 'may not meet IMF targets'

MR Michael Manley, Prime Minister of Jamaica, says the island's finances are "in a mess" and has put doubt on the island's ability to meet performance targets set by the International Monetary Fund for the end of this month, writes Canute James in Kingston.

Mr Manley, who took office three weeks ago after his People's National Party won the general election, said the Government had been forced to reduce expenditure. He said the previous government led by Mr Edward Seaga had increased spending on domestic spending agreed with the IMF and that the fiscal budget was "like a runaway cart down a steep slope".

The Prime Minister said the island's external account had been affected by "contingencies" by the previous government. He said loans from institutions such as the Inter-American Development Bank and the United States Agency for International Development had been delayed because it had not signed the agreements.

Under an agreement with the IMF Jamaica has access to credits totalling \$18m (\$8m) to be drawn down by the end of this year.

Pérez faces attack over his economic measures

By Joe Mann in Caracas

PRESIDENT Carlos Andrés Pérez and Venezuela's ruling party, Democratic Action (AD), are facing sharp opposition in Congress over economic policy and are expected to be taken to task for their handling of last week's riots.

Two of the country's main opposition groups, the Christian Democratic Party (COPEI) and the Socialist Party (MAS), while condemning the violence, have attacked the administration for ordering economic measures that provoked big price increases for basic goods and services.

Increase in transport fares

sparked the violence which swept Venezuela last week, leaving more than 250 dead and nearly 2,000 injured in its wake.

Mr Alejandro Izaguirre, Venezuela's Minister of the Interior, yesterday appeared before the Chamber of Deputies as the Congress began a government-initiated investigation into the causes of the violence.

The lower house also has requested the appearance of the ministers of finance and planning, to explain an agreement reached last week between the Government and

the International Monetary Fund. A week ago, the Government signed a letter of intent with the IMF as part of its plan to obtain extended credit facilities from the Fund.

MAS has begun an independent investigation into the reported disappearance of a number of people during last week's violence.

Mr Pérez has been in power for just over a month. His party, AD, held a strong majority in both houses of the national legislature under the previous administration but lost its majority in elections held last December.

The Government yesterday lifted a night-time curfew that had remained in effect in Caracas and two cities in central Venezuela - Valencia and Maracay.

Stephen Fidler adds: A \$800m interim financing offered to Venezuela by its leading creditor banks to ease the country's severe cash problem is linked to oil exports, bankers said yesterday.

Mr Edgard Leal, the chief government debt negotiator, returned to Caracas at the weekend after meeting Venezuela's main bank creditors led by Chase Manhattan Bank in

New York. If acceptable to the Government, the interim financing would be syndicated rapidly among a small group of banks.

The proposal is that the interim loans - to be replaced in time by medium-term financing - would be in effect collateralised by oil exports from the state oil monopoly, PDVSA, to two Venezuelan controlled oil companies in the US, Champlin Oil and Citgo Petroleum.

The proposal is similar to a facility by Bank of America and Salomon Brothers which fell through last year.

Alfonsín warns banks on interest payments

By Gary Mead in Buenos Aires

PRESIDENT Raúl Alfonsín of Argentina has warned foreign creditors that any further interest payments on Argentina's \$60bn (\$35bn) foreign debt are dependent on offers of fresh credit.

He told a meeting of the Buenos Aires cereals exchange at the weekend: "We are ready to use part of our reserves to fulfil our obligations, on condition that creditor banks meet theirs."

"Without such a response we will use our reserves to maintain import requirements necessary for national economic growth."

Argentina is \$2.3bn behind in interest payments to commercial banks, having paid only \$100m since April 1988. Its indebtedness is increasing at an estimated \$200m per month. Its de facto moratorium is part of a bargaining strategy used since last April in protracted negotiations with the Interna-

tional Monetary Fund and commercial banks for fresh loans. Argentina's foreign reserves are estimated at \$3.5bn.

Mr Alfonsín's international finance concerns are compounded by increasing calls for swift action on the domestic economic front. In the same speech he repudiated suggestions that he was about to change either personnel or policy.

February saw interest rates peaking at a monthly 40 per cent, inflation of almost 10 per cent with black market depreciations of Argentina's currency, the austral, exceeding 100 per cent. Independent economists now expect inflation to be at least 14 per cent during March.

Mr Alfonsín's statement of economic policy was due to be backed by a televised press conference last yesterday with his economic team.

Troops on alert in Bogota

Troops and tanks yesterday took over the centre of Colombia's capital, Bogota, to stop demonstrations against the assassination of left-wing leader Mr Jose Antequera, writes Sarita Kendall in Bogota.

Mr Antequera, vice-president of the FARC (Revolutionary Armed Forces of Colombia) party, was shot at Bogota's international airport on Friday. His funeral was held yesterday.

Bodyguards killed the gunman responsible for the shooting but his accomplices apparently escaped.

The Attorney-General has attributed recent violence - particularly the murder of political leader - to paramilitary and drug trafficking groups. More than 700 activists belonging to the Patriotic Union have been murdered in the last three years.

Managua eases land controls

Nicaragua's government announced a new agrarian reform law on Sunday that will put an end to government seizure of land, Reuters reports from Managua.

Mr Jaime Wheelock, Agriculture Minister, said the rights of property owners would be guaranteed under the law and that "we will move from an expropriation to a consolidation phase".

After ousting Anastasio Somoza in a 1979 revolution, the Sandinista government expropriated thousands of hectares of arable land belonging to the Somoza family and its supporters. Later, the Government also expropriated land belonging to Nicaraguans who left the country for more than six months, a move which created distrust among landowners and caused many to reduce or abandon farm production.

Quebec strives to placate anglophone community

By Robert Gibbins in Montreal

QUEBEC'S premier, Mr Robert Bourassa, has put Mr Claude Ryan, the Education Minister, in charge of language laws in an attempt to ease fears among English-speaking groups that the province's Bill 178 discriminates against them.

The replacement of the inexperienced Mr Guy Rivard by Mr Ryan is intended to contain the language issue. Bill 178 was passed last December after the Supreme Court of Canada in Ottawa had ruled that French-only commercial signs in Quebec were unconstitutional.

Since the Supreme Court decision, the separatist Parti Québécois Opposition has added about 10 percentage points in popularity polls. However, Mr Bourassa's Liberals retain 55 per cent support.

Mr Bourassa used the "not

withstanding" clause that allows a province to sidestep certain sections of the 1982 constitution to retain French-only exterior signs, while allowing bilingual interior signs under Bill 178.

Quebec's nationalists regarded bilingual interior signs as a concession to the anglophones but their protests have died down. Anglophones were angry because they expected the Quebec Liberals to follow up their promises to allow bilingual exterior signs.

Mr Ryan, who is bilingual and a former publisher of Montreal's Le Devoir daily newspaper, is well known among Montreal's anglophone community.

His appointment raises speculation that Mr Bourassa may call an election in late spring, rather than wait for the autumn.

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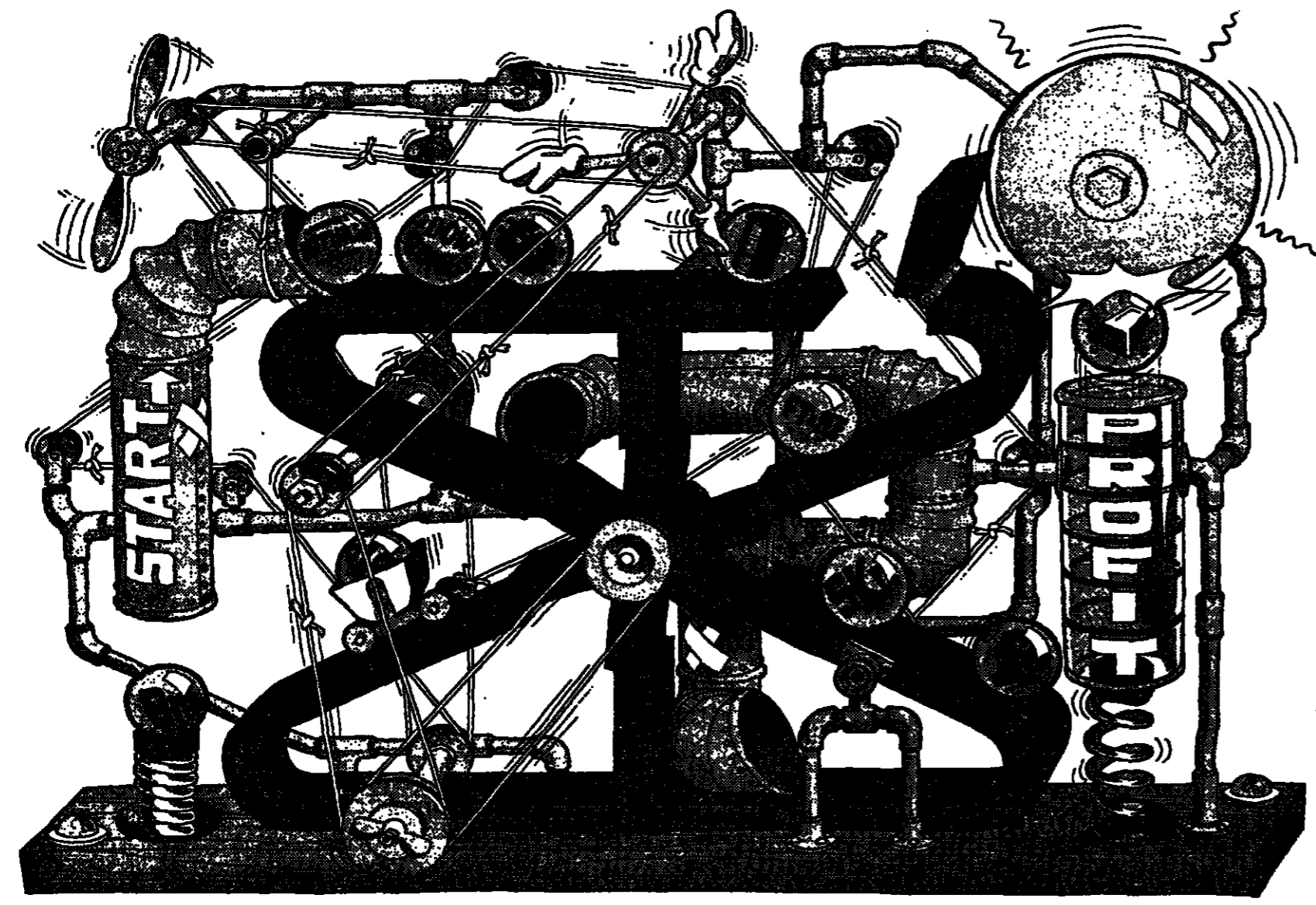
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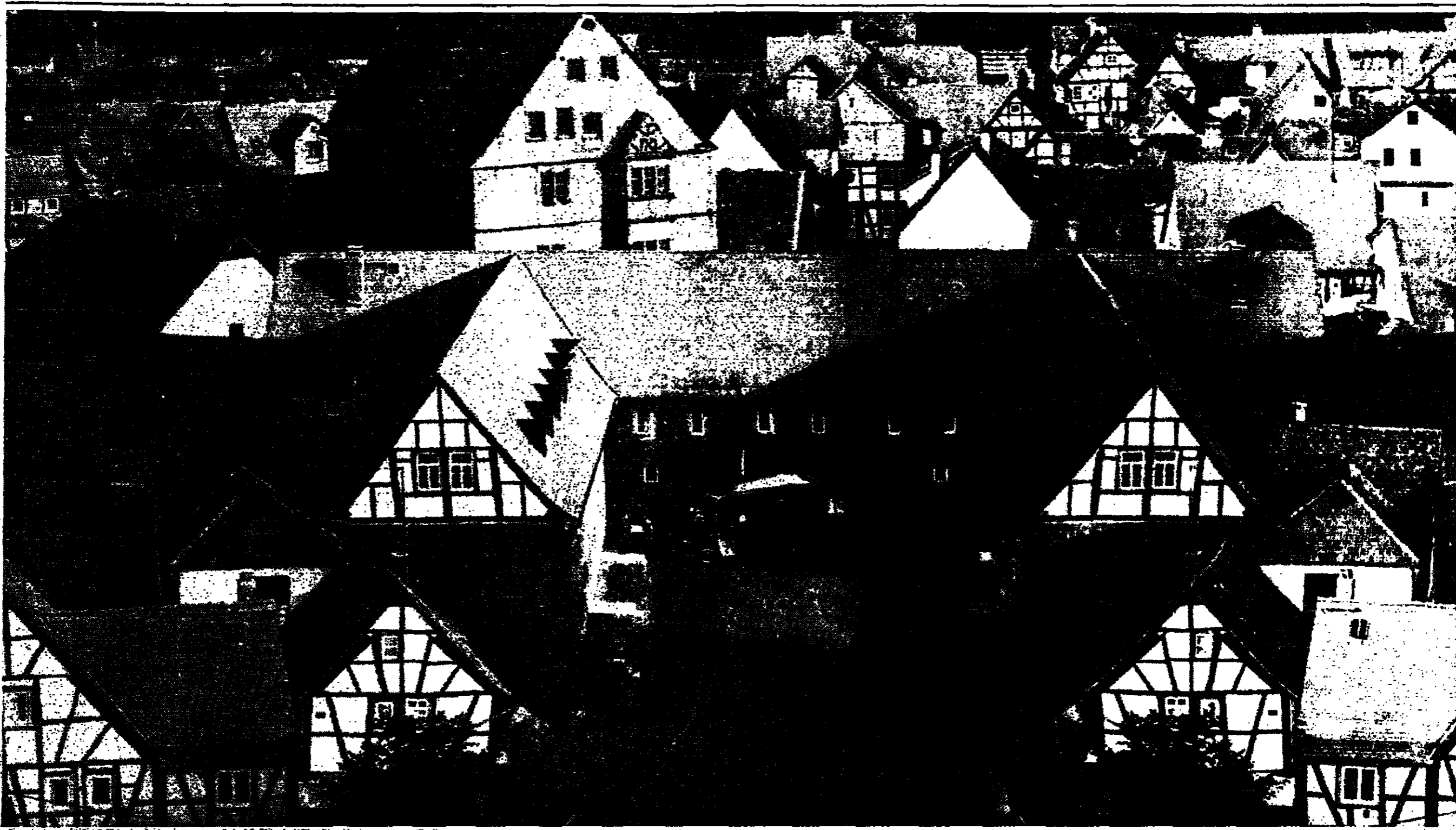
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SDAY MARCH 7  
amaica  
may not  
meet IMF  
targets'  
Michael Manley, Prime Minister of Jamaica, said the island's economy had not met the targets set by the International Monetary Fund at the end of the year.  
Mr Manley, who has led the country since 1980, said the National Planning Commission had been disappointed by the previous government's performance.  
Mr Manley said the government had agreed to a 'runway' deal with the IMF, which allows the country to continue to receive international aid while it works out a long-term plan.  
He said the government had not been able to meet the targets set by the IMF, but that it was determined to do so in the future.  
The IMF has been critical of Jamaica's economic performance, particularly its high inflation and unemployment.  
Mr Manley said the government was committed to the IMF program and would do everything possible to meet the targets.  
He said the government was working on a new economic strategy to improve the country's performance.  
The IMF has been a major force behind Jamaica's economic reform program, which has led to a significant improvement in the country's economic situation.  
Mr Manley said the government was confident that it would meet the targets set by the IMF in the future.  
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roops on the  
Bogota  
Troops and tanks took over the centre of Bogotá, the capital of Colombia, in a demonstration against the assassination of the leader of the Communist Party, José Sarria Rendón.  
The troops were ordered to surround the area and to search for weapons and explosives.  
The government said the troops were acting in self-defence and to maintain order.  
The Communist Party had been active in the area and had been accused of planning an attack on the government.  
The troops were seen in the streets and in the buildings of the city.  
The government said the troops were acting in self-defence and to maintain order.  
The Communist Party had been active in the area and had been accused of planning an attack on the government.  
The troops were seen in the streets and in the buildings of the city.

Sanagua and control  
Sanagua's government has announced a new law on Sunday to end to control of land.  
The law gives the government the right to expropriate land for public use.  
The government said the law was necessary to control the land market and to ensure that land was used for the benefit of the people.  
The law gives the government the right to expropriate land for public use.  
The government said the law was necessary to control the land market and to ensure that land was used for the benefit of the people.

York  
Pierre  
The city of York is a beautiful city with a rich history. It is a city of many faces, and it is a city that is always changing. The city is a city of many faces, and it is a city that is always changing. The city is a city of many faces, and it is a city that is always changing.

The Pink  
The Pink is a beautiful city with a rich history. It is a city of many faces, and it is a city that is always changing. The city is a city of many faces, and it is a city that is always changing.

OVERSEAS NEWS

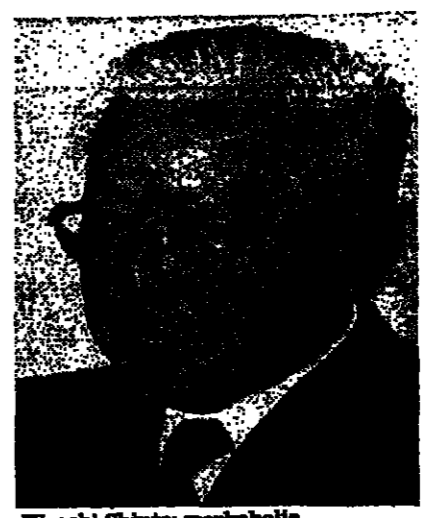
Nigeria and Paris Club agree debt rescheduling deal

By Michael Holman, Africa Editor
NIGERIA and the Paris Club have reached agreement on terms for the rescheduling of \$6bn owed to Western governments...

Ignominious end for a model Japanese manager

Ian Rodger profiles Hisashi Shinto, the distinguished industrialist held over bribery allegations

THE arrest last night of Mr Hisashi Shinto on suspicion of accepting bribes appears to bring to an ignominious end the career of one of Japan's most distinguished post-war industrialists...



Hisashi Shinto: workaholic

was NTT's spectacular flotation on the stock market in early 1987. By mid-1988, the company had acquired an image of being one of the pillars

of Japan's future in a high-tech era. Excitement over the shares rose, and they eventually fetched about 130 times NTT's earnings per share in the previous year...

India offers help to Afghan Government

By K K Sharma in New Delhi
INDIA has "responded positively" to the Afghan Government's request for what is described as "economic and humanitarian assistance to deal with the present situation..."

Sudan Government close to collapse over PM's 'stalling'

By Julian Ozanne in Khartoum
SUDAN'S Government appeared close to collapse last night as Mr Sadiq al-Mahdi, the Prime Minister, came under renewed political pressure to resign...

Palestinians die as uprising flares again

By Andrew Whitely in Jerusalem
THREE Palestinians died yesterday in the Israeli-occupied territories - two of them during violent clashes with troops...

Occupation no solution, says Waldegrave

By Lania Andoni in Amman
MR William Waldegrave, a British Foreign Office Minister, arrived in Amman yesterday after a tour of the Israeli-occupied West Bank and Gaza Strip...

Sri Lankan PM sworn in

By Mervyn de Silva in Colombo
MR D B Wijetunge, the Sri Lankan Finance Minister, was yesterday appointed Prime Minister, ending two weeks of intense speculation and uncertainty in business and diplomatic circles...



Some of the 214 smokers arrested yesterday crammed into Quezon City jail

Smokers hauled off in Philippines

SMOKING in public could be on its last gasp in the Philippine capital, where plainclothes police and traffic cops have launched a determined effort to stamp out the habit...

End to migration ordered

CHINA HAS ordered a halt to the wave of migrant peasant labour sweeping into many of its cities over the past month, Reuters reports...

Lebanese blockade

Christian-led troops launched a blockade of Lebanon's pirate ports on Monday in a move that could renew civil war violence, Reuters reports from Beirut...

Hanoi seeks to strengthen reformers

By John Elliott in Hanoi
A RESHUFFLE of senior economic ministers in Vietnam's communist Government was announced last night in an attempt to speed the implementation of economic reforms...

Boat-people conference starts

By Robin Pauley, Asia Editor
OFFICIALS from 37 countries met in Malaysia today to try to come to an understanding over the resettlement of more than 300,000 Indo-Chinese boat-people...

WORLD TRADE NEWS

Italians in bid to boost investment by Japanese

By John Wyles in Rome

MR Renato Ruggiero, Italy's Foreign Trade Minister, arrived in Tokyo yesterday determined to boost the relative priority of direct Japanese investment in his country. Italian concern about what seems to be a Japanese investment boycott has soared since it emerged that Toyota looked likely to build a car plant in the UK.

Chipmakers fan flames of US rows with Japan

By Louise Kehoe in San Francisco

US semiconductor industry leaders have begun fanning the flames of their long-burning trade dispute with Japan. Meeting in Washington last week for their annual caucus, the semiconductor executives set about focusing the attention of the Bush Administration on unresolved issues arising from the controversial 1986 US Japanese semiconductor trade accord.

S Korea's closed door hurts those inside

Protection turns to constriction in telecommunications industry, writes Maggie Ford

IN THE Seoul headquarters of the state-owned telecommunications monopoly there are two large mainframe computers. One of them belongs to Telerate, the US financial information company owned by AP Dow Jones, and the other to Reuters, the financial information company based in the UK.

named as a priority "unfair trader" under the act, and now has a year to negotiate an agreement or face strong retaliation. It also brings into focus how a country, by closing its market to foreign competition, may at the same time hinder the growth of its own industry.

Foreign orders flowed in to hard-pressed South Korean shipyards in January and February as the industry showed signs of recovering from a worldwide recession, the trade ministry said yesterday. Reuters reports from Seoul.

Ministry officials said 39 ships totalling 587,000 gross tons were ordered by February 20, up from four vessels totalling 392,000 tons in the same 1988 period.

Washington is also concerned about regulations that restrict the use of items such as modems, which link computers via telephones, and is trying to remove restrictions in advance of the development of even more sophisticated devices.

Brussels probes fertiliser imports from East Europe

By William Dawkins in Brussels

FERTILISER exports from four Eastern European countries are being investigated for alleged unfair underpricing in the European Community. The Brussels Commission yesterday launched an anti-dumping inquiry into sales of fertilisers containing potassium, nitrogen and phosphorus from Romania, Hungary, Poland and Yugoslavia. It is the latest in a series of inquiries into alleged dumping of bulk chemical products and commodities from the Eastern bloc.

Chipmakers fan flames of US rows with Japan

By Louise Kehoe in San Francisco

Representatives of the Japanese electronics industry say purchases of US-made semiconductor chips have nearly doubled over the past two years. The Semiconductor Industry Association, a trade group representing the US semiconductor industry, said however that the US share of the Japanese chip market had declined slightly in January to 10.5 per cent from 11 per cent in the last quarter of 1988.

Fokker wins \$500m British order for 11 aircraft

By Laura Raun in Amsterdam

FOKKER of the Netherlands has won a \$500m order for 11 Fokker-100 aircraft and an option for another 11 from International Leisure Group (ILG), a UK travel company. The contract, signed yesterday, was Fokker's second major order in as many weeks. It follows a \$300m (£175m) deal with Transport Aérien International of France.

F-100 twinjet and is hoping for a breakthrough contract in the US, where it is reported to be negotiating with American Airlines for about 100 aircraft. Four of ILG's F-100s are for Air Europe Express, an international charter airline, and the other seven are for Aircraft Leasing and Management (ALM), a recently-established subsidiary.

Delivery of the first F-100s will begin in October next year and continue at two a month. The aircraft will be outfitted with Rolls-Royce MK-650 engines, more powerful versions of the standard Tay 650. Rolls-Royce's order amounts to about \$30m.

Mr E J Nederkorn, a Fokker board member, admitted yesterday that expansion of production capacity was now urgently needed. But he insisted that a proposed takeover of Short Brothers, together with GEC of the UK, was only one option for lifting the production tempo. Expansion in the Netherlands or the US is also possible.

Yesterday's signing was marred by the news that an F-100's landing gear had collapsed on landing in Geneva on Sunday. Mr Nederkorn said a thorough investigation was being carried out.

Australia urges more reform in Japan's farm policy

By William Doolforce in Geneva

FURTHER big reforms in Japan's agricultural policy are being urged in an Australian study circulated in Geneva among GATT members. While recognising that in 1988 Japan had instigated "significant changes" in response to both international and domestic pressures, the study points to further steps Tokyo could take to "confirm its commitment to an open multilateral trading system".

Turkey-US air offset deals signed

By Jim Bogener in Ankara

OFFSET investment agreements in Turkey valued at \$480m (£266m) have been signed by General Dynamics Corporation of the US as part of a \$1.2bn scheme to make its F-16 fighters in Turkey. The agreements relate mainly to new plants near Ankara opened yesterday by Mr Turgut Ozal, Turkish Prime Minister, to make F-16 fuselage sections and wings. In addition, the US company will establish a company with \$85m capital to invest in other offset deals.

Under the terms of the trade pact, Japan agreed to ensure its chip makers did not "dump" products at unfair prices in any market. Japanese trade officials are expected to present their response to the GATT ruling later this month. "It is the US Government's position and our position that there can be changes made in implementation [of the agreement] consistent with the agreement and consistent with GATT," said Mr Alan Wolf, counsel to the US semiconductor industry trade group. "We should not be lulled into a false sense of security because chip dumping has ceased for the present," said Mr Wilfred Corrigan, chairman of LSI Logic, a big US semiconductor maker. "Without this system, dumping could easily resume," he warned.

The bulk of the study is committed to describing the complexity of current Japanese farm policies and the problems the Government faces in moving to a more liberal regime. Despite two recent reductions in the government price paid to rice growers, the price to consumers is still almost nine times the world price. The assuring of adequate access to food for the population in times of emergency, has long been advanced as an argument for the high level of Japanese farm subsidies. The study suggests stockpiling could be an alternative and cheaper approach. Stockpiling could be buttressed by Japanese investments in countries with comparative advantage in agriculture.

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Delta Flies Nonstop From The Heart Of Europe To America's Heartland. Delta Air Lines flies you to the USA, from London, Paris, Shannon, Dublin, Frankfurt, Munich and Stuttgart. And beginning May 6, from Hamburg.

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FOLLETT MAYFAIR City 01-629 6266 01-377 6677. A list of cars for sale including a 1988 BMW 524i, 1988 Mercedes-Benz 190, and 1988 Audi 100.

Vertical text on the left margin containing various news snippets and advertisements.

UK NEWS

LONDON CONFERENCE ON THE OZONE LAYER

Call for fund to aid developing nations

By John Hunt, Environment Correspondent

A GLOBAL fund to supply assistance and technology to developing countries to enable them to phase out the chemicals which damage the ozone layer was proposed by China yesterday at the international conference in London on the protection of the ozone layer.

Mr Z.R. Ansari, India's Minister of Environment and Forests, declared: "We would be willing to reduce the production of these powerful chemicals if there are acceptable alternatives which are viable for us."

China recognised that the problem of ozone-depleting chemicals would have to be tackled in the course of its industrial modernisation. This would require "long, relentless and positive efforts."

to solve their environmental problems in a way that was not available to developing countries suffering poverty.

Brazil considers 'more severe restrictions'

By Patrick Butler

BRAZIL yesterday said it had submitted the Montreal Protocol for ratification by its Congress and therefore hoped to attend the forthcoming Helsinki Conference on the ozone layer as a full member.

therefore likely that the Helsinki Conference, to be held in May, would seek to accelerate moves to eliminate CFCs. Brazil would support this as long as any measures it contained had safeguards for the developing countries.

rior and environment, said his country would soon make known its position on the Montreal Protocol and had already taken measures in its spirit.

On research into CFCs, introducing cheaper and safer alternatives and strengthening the protocol so as to eliminate CFCs.

He added: "Developing countries, and certainly my own, are not producers but importers of CFC products, and they present ever-growing markets for our neighbouring states, who have in the past only been known for their lack of sensitivity for global concerns."

Talks on greenhouse effect suggested by W Germany

By John Hunt

THE LEADER of the West German delegation, Prof Klaus Töpfer, suggested that the conference could be used as a stepping-stone towards a new convention to deal with the threat of global warming of the atmosphere — the greenhouse effect.

question of financial support for this process. Prof Töpfer said he was pleased to hear China and India say earlier that this would be a precondition for their entering an agreement to reduce their use of substances which threaten the ozone layer.

Dr Baxter said it was essential that these moves continued. However, he warned: "Premature legislation, which could lead to the fragmentation of these efforts, is a matter of great concern."

GOVERNMENTS were urged yesterday not to impose "premature" legislation on countries involved with chlorofluorocarbons (CFCs).

ogy, urged all those countries which have not yet done so to sign the Montreal Protocol as quickly as possible.

Governments advised against introducing 'premature' laws

By Patrick Butler



Roger Baxter, technology minister, is available to all

Signs of the Financial Times advertisement featuring logos for Export Credits Guarantee Dept., AIA Insurance Services, Chemical Bank, TSB Trust Company Ltd., D.C. Gardner Group plc, N.M. Rothschild & Sons Limited, National Provident Institution, Chartered Trust plc, and BNP Mortgages.

All these financial services organisations have signed on the dotted line for a future in South East Wales. Because all have recognised that South East Wales has a very bright future indeed. You will, too. After all, here are just some of the advantages our expanding financial location has to offer your business.

Warning to small European motor parts suppliers

By John Griffiths

THE EUROPEAN motor components industry of the future will have little or no room for medium or small-sized companies, the Financial Times London Motor Conference was told yesterday.

ers and technical specialists would remain dominant for more complex repairs.

FT THE LONDON MOTOR CONFERENCE

vehicle makers supplied — had made potential investors wary. However, said Dr White, these risks have been greatly exaggerated.

COMPANY NOTICES section containing financial notices for Remy Finance B.V. and Mhangura Copper Mines Limited.



# Small motor makers

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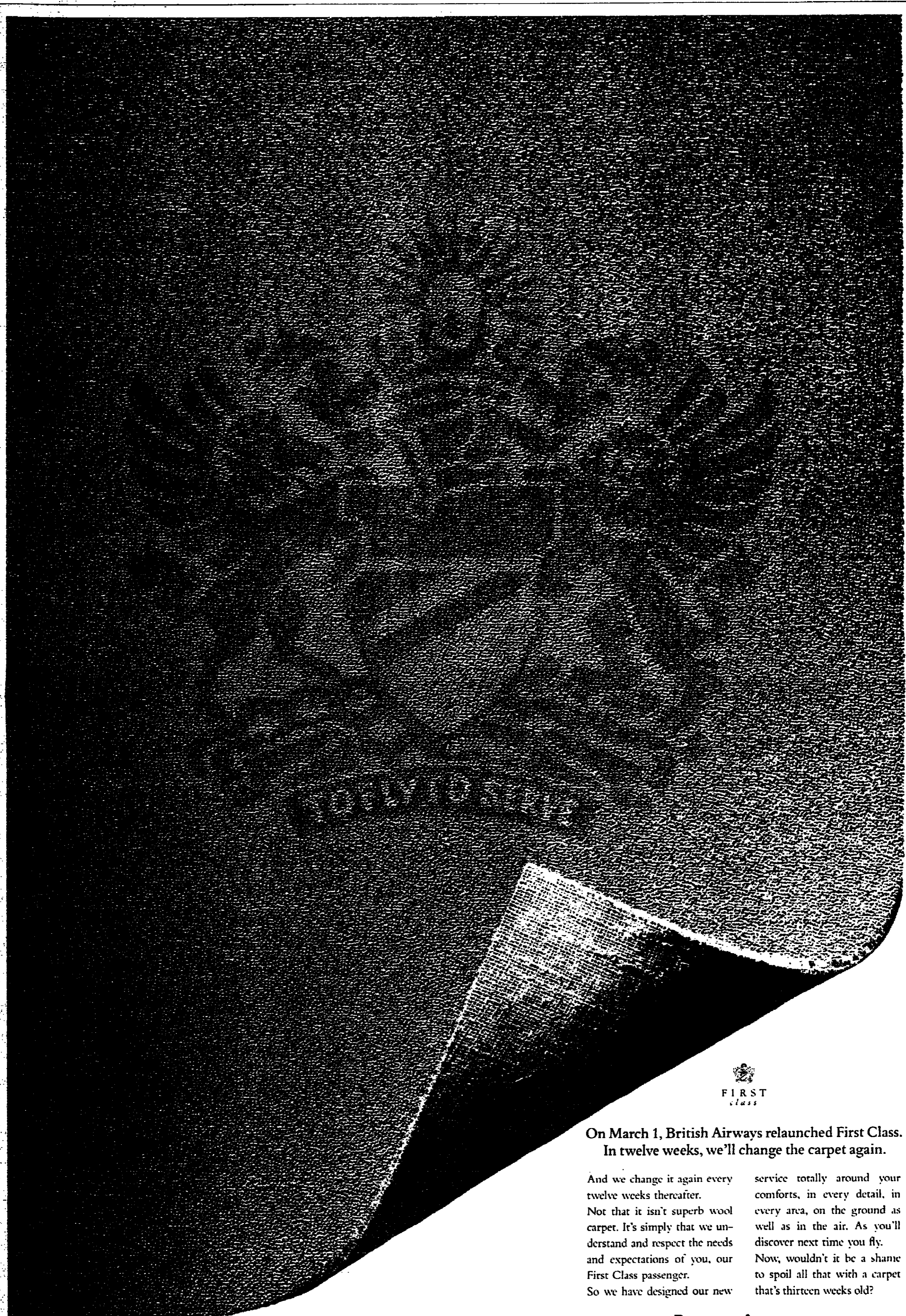
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### NOTICES

SHANGHAI COMPANY LIMITED  
 (Incorporated in Hong Kong)  
 ANNOUNCEMENT  
 STOCKHOLDERS

The Board of Directors of the Company has decided to pay a dividend of 10% on the ordinary shares of the Company for the year ended 31st December 1981. The dividend will be payable on 15th March 1982 to the holders of the shares as at the close of business on 1st March 1982.



FIRST  
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On March 1, British Airways relaunched First Class.  
 In twelve weeks, we'll change the carpet again.

And we change it again every twelve weeks thereafter. Not that it isn't superb wool carpet. It's simply that we understand and respect the needs and expectations of you, our First Class passenger. So we have designed our new service totally around your comforts, in every detail, in every area, on the ground as well as in the air. As you'll discover next time you fly. Now, wouldn't it be a shame to spoil all that with a carpet that's thirteen weeks old?

**BRITISH AIRWAYS**  
 The world's favourite airline.

UK NEWS

# Most of Chunnel rail link likely to go under ground

By Kevin Brown, Transport Correspondent

BRITISH Rail is about to announce plans to run two-thirds of its proposed high speed railway line from London to the Channel Tunnel under ground.

The decision, which will be announced later this week, is a victory for environmental protesters in the south-eastern county of Kent and South London. It will add around £200m to the estimated cost of £1.2bn.

BR is understood to have chosen a much altered version of Route One - always the favoured of the three proposed routes among the corporation's senior staff.

The route will run almost entirely under ground in London, where it will follow an alignment between the original proposals for Routes One and Two. There will also be extensive tunnelling in Kent, possibly including Ashford, where BR plans a major terminal.

In other areas, the alignment will be shifted to follow the M20 motorway in order to avoid historic villages where opposition has been especially strong.

The changes follow a meeting last week between Mrs Margaret Thatcher, the Prime Minister, Mr Paul Channon, the Transport Secretary, Mr Michael Portillo, the Transport

Minister, Mr Nicolas Ridley, the Environment Secretary, and Mr John Major, the Chief Secretary to the Treasury.

The final alignment is understood to have been drawn up after this meeting. However, the Government has denied that the Prime Minister interfered in the decision, claiming that she was only being kept informed of developments.

The revised proposals are regarded by the Government as environmentally sound, especially in comparison with BR's original plans, which were opposed by almost all Kent's Conservative MPs.

The hope is that the changes will dramatically reduce opposition in both Kent and South London, enabling a Private Bill authorising construction work to pass through Parliament quickly. This would mean that the Bill could emerge from Parliament next summer, well before the next general election, which is likely to be called in 1991.

A shorter Parliamentary timetable would also help BR to meet its unofficial target of starting services on the high speed line by 1996, three years after the tunnel opens.

The decision could also help BR to prevent control of the high speed line project passing

to the private sector once the route decision has been made. BR has been fighting a losing battle with the Transport Department and the Treasury to maintain a substantial stake in the line.

A number of construction consortia registered their interest in the original proposals, but some have made clear in private that they are unenthusiastic about taking an equity stake in the project.

If the revised proposals increase the reluctance of the private sector to finance the project, it might have to be returned to BR control and might have to be financed by loans from the Treasury.

The Government is forbidden by the Channel Tunnel Act from subsidising the construction or operation of the line, but officials pointed out that its viability could be transformed by fast commuter services from Ashford and elsewhere, and the use of the line for night freight services.

In any event, total spending on Channel Tunnel-related railway services now looks likely to rise to around £2.6bn, since BR is already committed to spending £600m on improvements to services between 1993 and the opening of the high speed line.

# Two killed in third serious rail crash in three months

TWO people - a train driver and a passenger - were killed yesterday in Britain's third serious rail crash in as many months when two electric suburban trains collided head on just outside Glasgow in Scotland, Our Transport Correspondent writes.

The other driver and an elderly passenger were trapped in wreckage for several hours after the crash. BR said

44 people were taken to hospital, of whom three were detained overnight.

Mr James Ellis, Scotrail's general manager, said BR took full responsibility for the accident.

The collision occurred only a few hours before Mr Paul Channon, the Transport Secretary, was due to make a House of Commons statement on Saturday's crash at Purley, in South London, which killed five.

BR said the preliminary conclusions of its internal inquiry into the Purley crash pointed to driver error. Signal failure has been ruled out. Officials refused to speculate on the cause of the Glasgow accident, but the inquiry will concentrate on signalling, driver error, and possible mechanical problems, such as brake failure.

The death toll from the Glasgow crash was low because the accident happened when the trains were sparsely occupied. The trains were also travelling at less than 30mph.

However, there will be great concern over the accident because it happened on a stretch of two way or "reversible" line where trains are allowed to travel in both directions.

# Signalling the way to stop rail catastrophes

Kevin Brown looks at British Rail's possible response to three serious recent crashes

BRITISH Rail's Scotrail division set up an internal inquiry yesterday after two passengers died in the third serious rail crash in three months.

The latest accident happened outside Belgrave, east of Glasgow, when two three-car electric trains collided on a stretch of two-way track. BR's inquiry will determine the circumstances leading to the crash. An inquiry by the Railway Inspectorate, the Transport Department's railway safety watchdog, will follow.

Investigations will concentrate on how two trains travelling in opposite directions came to be on the same section of track at the same time. Two explanations seemed likely: signal failure, since one train should have been held at a "stop" signal while the other passed through the section;

and human error, since one driver or both may have passed through a red light.

BR has said already that the Clapham accident was caused by an error during modernisation work on the signalling system in the area. The causes of the Purley accident remain unclear, although BR have said that the signalling system was working and the investigators' preliminary conclusion was that driver error was responsible. The driver of one of the trains has said he passed a red light.

BR said he appeared to have applied the brakes before doing so, which could indicate that the signal changed suddenly as his train approached, or that he had passed an earlier warning signal and was surprised by the stop signal.

The series of accidents is bound to lead to renewed

demands on BR to adopt technological advances in train operations, whatever the cost.

This has been a hot topic within BR for years. Some engineers have pressed for an immediate upgrading of existing facilities; others for restraint as new systems are designed. BR's main response has been to wait, as financial pressures have squeezed operating subsidies.

Some work has been done. The Clapham accident, for example, happened during installation of a signalling system during modernisation on the Southern Region.

BR is also introducing radio communications into the cabs of most InterCity trains, and those of some services run by the Network SouthEast and Provincial passenger networks.

Much of the internal debate within BR has focused, however, on the Automatic Warning System which operates on most main passenger routes.

This sounds a bell or horn in the driver's cab when he approaches a signal. When the signal is set at amber (proceed with caution) or red (stop), the train's braking system engages automatically unless the driver presses a button.

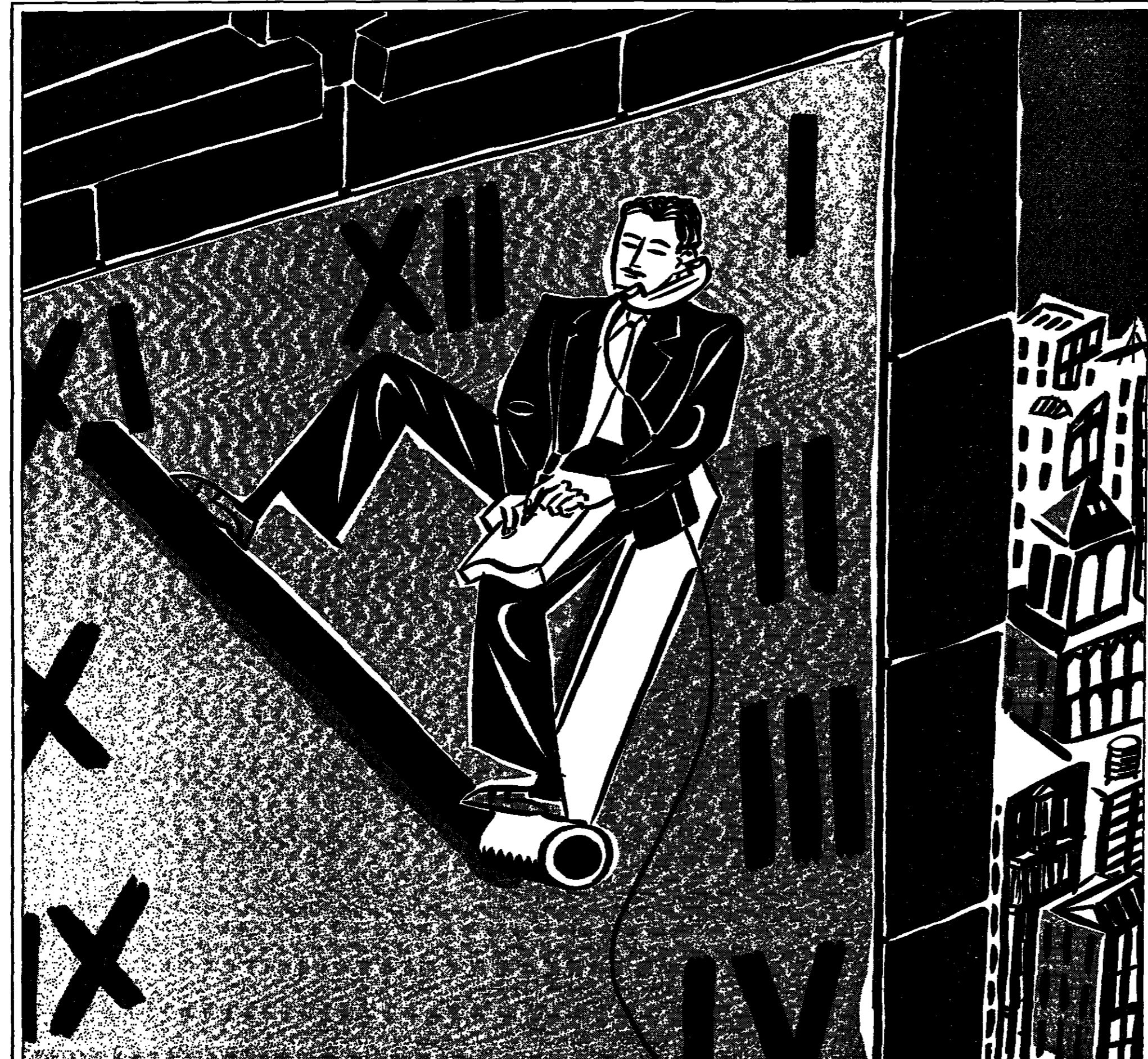
The fear is that drivers may fail to react properly to a red signal after cancelling the braking system at a long series of amber signals. The introduction of AWS on the Southern Region was delayed for years because of fears that this might happen.

In the early 1970s BR's research and development division developed a more advanced AWS, known as AWS

Signal repeating, or SRAWS, to overcome this problem. The system would have installed a panel in the driver's cab with a display similar to that of the trackside signals.

As the train approached a signal, a duplicate would have appeared on the driver's panel, and would have remained there until the train was up to 200 yards from the next signal.

If the signal was set at caution or stop, the system would have engaged the braking system automatically unless the driver pressed one of up to four buttons. The idea was that drivers would be less likely to lose concentration if they had to choose the correct one of three or four buttons at each signal. The system was made to work, but was abandoned in 1975, largely because it cost three times more to install as the AWS system.



# Mackay hits back at legal reform critics

By Raymond Hughes, Law Courts Correspondent

LORD MACKAY, the Lord Chancellor, yesterday hit back at critics of his controversial proposals for reform of the legal profession and said there had been "a great deal of misunderstanding" about his plans.

He emphasised that he was not proposing government control of lawyers but rather parliamentary scrutiny of their competence and conduct. "Parliament has a legitimate role to play," he told a London conference on his green paper (discussion document).

A statutory framework was needed because the administration of justice was too important to be left to the legal profession alone, he said.

Lord Mackay reserved his sharpest comments for the leaders of the professional association of barristers (the Bar) - and, by implication, those senior judges, all former barristers, who have been outspoken in their condemnation of his proposals. Included in the proposals are plans to end the barristers' monopoly in court representation.

"The leaders of the Bar seem to have decided, for reasons which I find difficult to understand, that the proposals, if implemented, spell the begin-

ning of the end for the Bar. I was not aware that the Bar's very existence depended on the retention of legal restrictions. I had thought that the Bar thrived through excellence and by providing members of the public with a much-needed service. I was obviously mistaken," he said.

Lord Mackay said he believed firmly that there would always be an important role for full-time independent advocates.

Accusing the Bar's leaders of being set on "perpetrating this myth of the Bar's imminent demise," he urged them to look at his proposals with an open mind.

Lord Mackay said his advisory committee on legal education and conduct would only be concerned with the principles to be embodied in lawyers' codes of conduct, and only those principles would be subject to parliamentary approval.

None of the principles he had in mind were "exactly mind-blowing or sinister," he added. The actual codes would be the responsibility of professional bodies such as the Bar Council and the Law Society, as would the granting and revoking of advocacy certificates.

# Pre-trial review of BCCI case opens in US today

By Richard Donkin

A FEDERAL court in Tampa, Florida, is holding a pre-trial review today into the drug money laundering case against the Bank of Credit and Commerce International and nine of its employees.

The review, described as a status hearing in the US, will try to fix a date for the full trial, probably in the autumn.

The bank, which denies the charges, has filed a defence motion that the charges should be dismissed on the grounds of outrageous government conduct.

The argument, similar to that of entrapment, is that the whole money laundering operation on which the case is based was established by the US customs to ensnare officials.

The BCCI defence is also expected to argue that the bank could not be held responsible for employee actions and that senior officials would not be able to know that wire transfers, alleged to be involved in the laundering, were the proceeds of cocaine sales.

The prosecution is likely to rely heavily on taped conversations between customs agents, posing as money launderers, and bank officials. The case may also refer to a judgement by the US Court of Appeals in the case of the US v The Bank of New England where it was held that a corporation could be criminally liable for violations of the law involving its employees.

# Clydesdale Bank invests £50m in computer system

By James Buxton

THE Clydesdale Bank, the Glasgow-based institution owned by National Australia Bank, is to spend £50m on a computer system for its 350 branches.

It will give Clydesdale branches for the first time a fully-integrated computer system which the bank says will cut paperwork handled in the branches and speed the response to loan and other requests. It is the largest single investment the bank has ever made.

As the system is installed the ratio of back office to counter staff in each branch will be reversed. Back office workers will be cut by 70 per cent of those dealing with customers by 80 per cent. Eventually 70 per cent will face the customers. Bank branches will have to be re-designed to accommodate the switch.

The system will be installed in back offices from May this year. Teller terminals will be

installed in the second quarter of 1990.

Mr Richard Cole-Hamilton, the bank's chief executive, said yesterday that any cut in staff caused by introducing the new system ought to be offset by a rise in the bank's business.

The new system, which the bank claims is the most up-to-date available in UK banking, is being supplied by three companies: Unisys of the US will provide the workstations and software in a contract initially worth £18m. Tandem Computers, another US company, will supply the mainframe computer in a contract worth \$2m and Seel, a Scottish company, will supply the data communications network.

Clydesdale Bank was acquired by National Australia Bank in 1987 from the Midland Bank. It operates almost entirely north of the border but has ambitions to expand into England.

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# BEFORE BLÉRIOT HAD CROSSED THE CHANNEL, AUSTRALIAN MUTUAL PROVIDENT HAD CROSSED THE WORLD.

The intrepid aviator skimmed the waves to land at Dover on July 25th 1909. A far-sighted Daily Mail ran the headline 'Britain no longer an island'.

A year earlier, Australian Mutual Provident had crossed the globe to open its first branch in London.

From our foundation in 1849, AMP has led the Australian insurance scene, and today, with assets of over £12bn, we write nearly a third of all Australian life insurance and retirement fund business.

AMP continues to spread its investments broadly, over shares, government and fixed-interest securities, property, energy and natural resources, and at the same time to seize growth opportunities when they occur.

In the coming years, we mean to continue our profitable growth, domestically, in the UK, and in new overseas markets, to give our policyholders the security that only financial strength can provide.

Both Blériot and AMP were pioneers. Both forged new links between Britain and the world.

80 years on, the AMP Group is still a pioneer and a leader.



UK NEWS

Revised retail sales indicate sharp slowdown

By Ralph Atkins, Economics Staff

A SHARP downward revision in retail sales figures for January yesterday provided further evidence of a marked slowdown in consumer spending as Mr Nigel Lawson, the Chancellor of the Exchequer, puts the finishing touches to next week's budget.

Schroder raises £177m for buy-outs

By Charles Batchelor

SCHRODER Ventures, venture capital arm of Schroders banking group, has raised a £177m fund to invest in management buy-outs and buy-ins.

Water industry adds up its assets

By Richard Evans

THE UK water industry is conducting its biggest ever assessment of the state of its assets and future investment needs in preparation for its November privatisation.

Water authorities were being urged to seek rapid exemption of inefficient sewage works from pollution laws, the Labour Party claimed.

Binneys on the engineering aspects. With water, capital costs of engineering projects and capital spending will figure more prominently than in the case of gas or electricity.

Virgin plans to expand long-haul air network

Virgin Atlantic Airways, owned by Mr Richard Branson, is planning a major expansion to confirm its position as the only British rival to British Airways on long-haul world scheduled air routes, especially for business class passengers.

Television set to capture larger slice of advertising

By Christopher Parkes, Consumer Industries Editor

TELEVISION will increase its share of the UK advertising market at the expense of the press and other media from 32 per cent in 1987 to 37 per cent by the end of the century, according to Satchi & Satchi, the international advertising and consultancy group.

advertising expenditure to continue to increase as a proportion of gross domestic product from 1.41 per cent in 1987 to 1.54 per cent.

Low Pay Unit calls for lower tax band

By Ralph Atkins, Economics Staff

MR NIGEL Lawson, the Chancellor of the Exchequer, should introduce a reduced rate income tax band to help nearly 7m taxpayers earning less than the Council of Europe's "decency threshold", a report urges today.

best news Mr Lawson could announce would be that the Government has agreed to plan to scrap Britain's minimum wage system.

£9.7m for Irish fund

The International Fund for Ireland, set up by London and Dublin to promote reconciliation, received £9.7m from the Common Market Commission.

Teesside investment

Plans involving more than £11m of investment in projects related to the chemicals industry in the north east region of Teesside were unveiled yesterday.

Doncaster venture

Doncaster's enterprise agency in the north east has broken new ground by launching its own £1m venture capital fund to help the growth of smaller businesses in the town.



Windsong.

You're reluctant to leave the windsurfing. Your muscles are rather tired, but the splendour of the moment spurs you on.

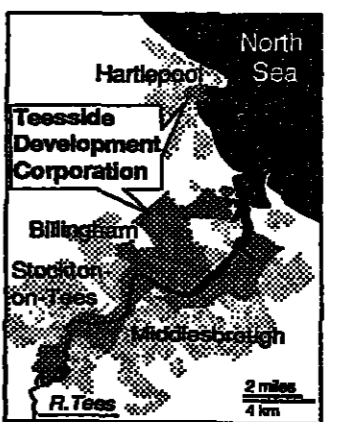
From the beach your friends see you flash past. They can't see your face but they can guess that it's glowing with happiness.



A vision for Teesside rises from the wasteland

Hazel Duffy continues a series on the activities and goals of regional development corporations

THE CLUSTER of neat business units nearing completion in a small part of the Teesside Development Corporation is more symbolic than their size and unremarkable architecture would suggest.



Despite this encouragement from the top, Teesside felt it necessary to adopt incentive tactics in order to translate the confidence into buildings on the ground.

period, it expects to receive about £200m in public funding. But a large part of this will go on land clearance and reclamation.

These industries will continue to dominate the economy of Teesside. The corporation recognises the importance of industry, and is encouraging the development of its area as an industrial centre as well as a place to shop and take leisure.













Lessons from Venezuela

SERIOUS RIOTING last week in Venezuela has underlined the problems that can arise in even the most stable of Latin American democracies when governments try to implement austerity policies to cope with the debt crisis...

Latin American leaders have frequently warned that stagnant growth and declining living standards, when combined with the kind of austerity programmes demanded by the international financial community, are a socially explosive mixture...

Swift reaction

The reaction of the US government has been commendably swift, with assurances in principle of a bridging loan for Venezuela. The banks for their part have speeded up existing discussions on a further credit...

The price of safety

MR PADDY ASHDOWN, the Social and Liberal Democrat leader, has accused the Thatcher Government of running down transport systems to "breaking point". He was speaking in the aftermath of the rail crash at Purley, Surrey, but before yesterday's collision of commuter trains in Glasgow...

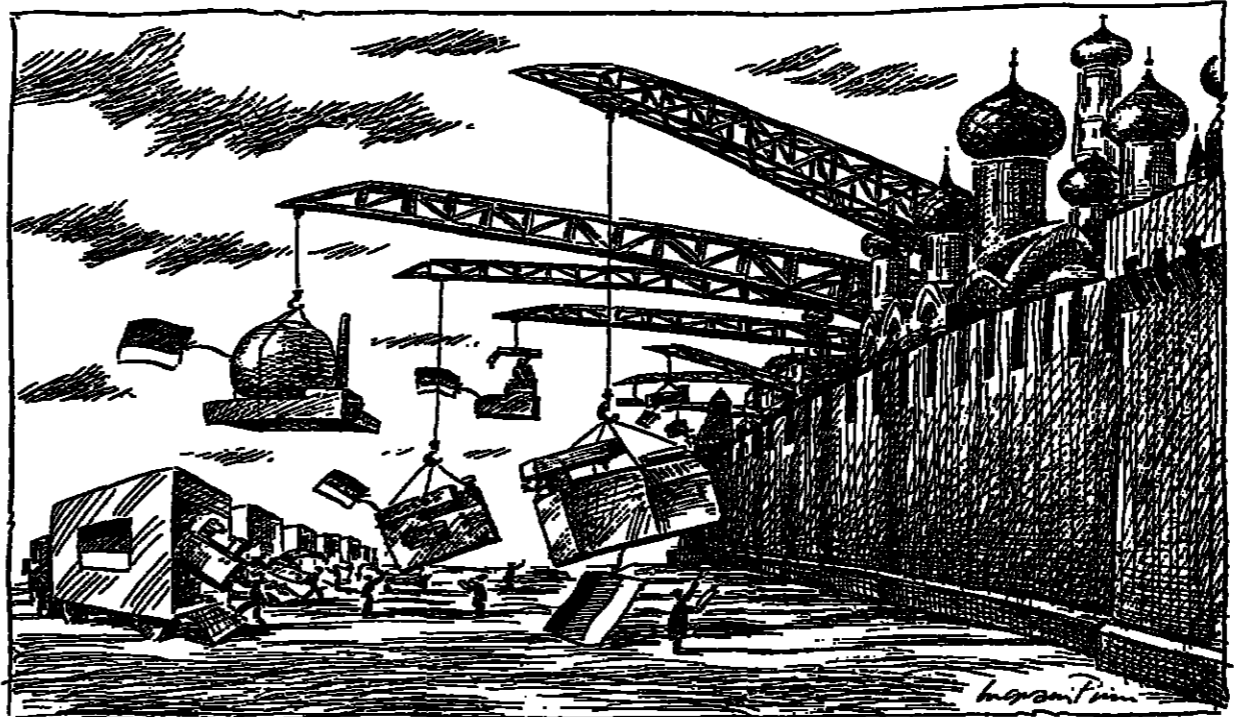
Private sector

The defence may also argue that loss of life has not been confined to publicly run enterprises. The ferry that sank at Zeebrugge was privately owned and operating in a competitive market...

David Marsh on West German enthusiasm for Soviet economic reform

Profiting from perestroika

Karl Heinz Siepe, chairman of the Dortmund-based construction and mining machinery manufacturer Orenstein and Koppel, has been trying to trace what has become of O und K's long-lost Russian factory...



vent militarily-usable technology passing to the Soviet bloc. Of special sensitivity in both cases are the high-powered computers in the equipment...

The Federal Republic is by far the Soviet Union's leading trade partner in the West. Largely because of the fall in Soviet exports of energy products, the value of bilateral West German-Soviet trade has dropped in recent years...

agreements with the Soviet Union out of about 120 concluded by Western companies. They include a Leningrad shoe factory set up by the Salamander footwear group...

Parts of the nuclear and medical equipment deals will have to be vetted for possible military uses

Deutsche Bank, signed during Mr Kohl's October visit. The Soviet Union is proving slow in taking up the loan, partly because of poor organisation. It will be used, however, to support much-needed modernisation of the light industry and agriculture sectors...

joint venture for manufacturing construction equipment. A key condition will be conclusion of an accord between Moscow and Bonn on protection of German investments in the Soviet Union...

Mr Harald Simon, partner at the Munich-based Roland Berger management consultants, which is carrying out two projects to improve efficiency and trim costs at the 20,000-employee Leningrad metal works grouping...

A large number of prospective industrial ventures will be financed under a DM 3bn bank credit led by the Deutsche Bank...

Mr Eberhard von Koerber, chairman of the ABB German subsidiary, based in Mannheim, was in Moscow to sign the deal. He sees in the Soviet capital "a major and totally new push to create private property..."

Mr Hans-Gerd Neglein, Siemens board member for sales, is responsible not only for the HTR deal but also for another technology transfer agreement. This involves Siemens's help for the Soviet Union to build sophisticated medical equipment...

West German trade with the Soviet Union equals that of France, the UK and the US combined

with the challenge. "We are top of the queue." Mr Hans-Gerd Neglein, Siemens board member for sales, is responsible not only for the HTR deal but also for another technology transfer agreement...

Krokodil fight

The fate of the "groot krokodil", or big crocodile - as the South African President, P.W. Botha is now being called in public - is having to compete for the local headlines with a bizarre three-in-a-bed sex scandal...

Poor cows

As if it does not have enough on its plate, the Ministry of Agriculture has just put out a number of glossy, green-coloured leaflets on "Nutrition - Accidents and the Farmer". "Free-stock", runs the advice...

Familiar face

British-Nigerian relations get closer and closer. Margaret Thatcher is making a special stop in Lagos for talks with President Ibrahim Babangida during her African trip at the end of the month...

Crocodile joy

Strasbourg has received a gastronomic boost from Michelin in its desperate campaign to bring on to the European Parliament. The big novelty in the 1989 edition of the Michelin Red Guide, the bible of "haute cuisine"...

Water Music

The Salisbury Festival is looking for mass appeal among the druid sect, which likes to make sure that everyone in Salisbury knows it is going on from September 2 to 16. Simon Halsey, the artistic director, is bringing in 700 local children to take part in Noye's Floudie by Benjamin Britten...

Confusing

A middle-aged lady told her psychiatrist that she was very upset by his indifference to her. "You shouldn't treat Marie Antoinette that way!" she said. "Last week you said you were Helen of Troy," he reminded her. "That," she replied, "was by my first husband."

Advertisement for Cordier Bordeaux wine. 'What price excellence? Less than you might think with these superb clarets from the House of Cordier... One of the greatest names in Bordeaux. Our petits chateaux selection - Tanesse, Le Gardera and Plagnac - offers you the opportunity to savour three remarkably fine Bordeaux wines at surprisingly agreeable prices. Available from most good wine merchants. CORDIER - one of the greatest names in Bordeaux'.

LETTERS

Great expectations

From the Secretary of State for Social Security. Sir, I thought it might be worthwhile replying to Joe Rogaly's Politics Today article "A kinder, gentler budget surplus," January 20.

Much of the first half of the article considered John Hills' pamphlet Changing Tax, a statistical exercise applying the tax package of 1976-79 to the wealth created since that date. I do not recall that date.

Mr Rogaly's article went on to report comments that this year's decision on child benefit has hit some of the least well-off, and then said that family credit only reaches one third of those whom it is intended to help.

Under this Government, and on the same definition (which excludes supplementary benefit and housing benefit for couples with children and includes child tax allowances) real per capita income has risen by 25 per cent.

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I had hoped the article might have mentioned Nicholas Scott's speech (Col 385) in response: "From 1979 to 1985, average living standards of

complex with children rose by 8.6 per cent. Living standards of couples without children rose by 5.9 per cent, and those of single people without children by 5.5 per cent.

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Doomed to succeed

From The Editor, Soviet Weekly. Sir, Your editorial entitled "The perils of perestroika" (February 28) laboriously enumerated some of the difficulties and problems of the Soviet economy.

I believe that many Soviet economists would not just simply subscribe to this appraisal but would gladly add a point or two to this rather gloomy looking list of our economic troubles.

Yes, the problems are there. But the author seems to completely ignore such an important element as the new climate created in the Soviet Union by the perestroika process.

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A model UK

From Mr R.F. Gray. Sir, David Lascelles' article "Euromarkets face uncertain fate" (March 1) referred to the view that, as capital controls are removed, the raison d'être of an offshore market goes too.

This is too simplistic. The Eurobond market today is dominated by institutional investors and the Euromarket is the third largest bond market in the world.

Another vivid example is the recent opinion poll in one newspaper offering people the absurd and meaningless choice between expanded spending on public services and lower taxes.

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FOREIGN AFFAIRS

Arguments that work both ways

Edward Mortimer examines the case for a change in Britain's policy towards South Africa

Recent news from South Africa emphasises divisions within the white and black communities, rather than between them. On the Government side, a new leader of the ruling party promises reform and suggests a "great indaba" of leaders from all races to discuss the country's problems.

Perhaps it was not the best moment, tactically, for the British Council of Churches (BCC) to come out with a carefully worded case for a new British policy towards South Africa, as it did last week.

As for the power struggle within the National Party, that will no doubt be seized on by the British Government and its supporters as one more argument for sticking to their present policy.

The trouble with such arguments is that they work equally well both ways. If foreign pressure is counter-pro-

ductive, as references to the larger mentality seek to imply, then any kind of foreign embrace might well be fatal to Mr de Klerk: the last thing he would want, in bidding for support within the National Party, is to be seen as the candidate of Western liberals.

The only reasonable conclusion on this point is that the short-term effects of any move by foreign governments on the internal politics of the National Party are uncertain, but probably small.

It is difficult for either side to win this argument because there is no obvious way of attributing any given set of

developments within South Africa to the actions of any one foreign government or group of governments. Mrs Chalker quoted Ronald Reagan, former US President, as saying that the 1986 Comprehensive Anti-Apartheid Act - a sanctions package on which Congress voted to override his veto - had "reduced US leverage, hardened the South African Government's determination to resist outside pressure, and increased the appeal of ultra-conservative movements".

The same applies to South Africa's decision to pull out of Angola and (apparently) to grant independence to Namibia. Is this a victory for US "blackage" for Cuban military stout, or for superpower collocation? The answer may be that all three were necessary.

It may be true that economic change will inevitably produce political change, though it is odd to hear a Conservative British Government reiterating such a Marxian historicist assertion. But if it is true it is most unlikely that economic change will take the form of a steadily ascending curve.

In the courts

From Mr Michael Beckman QC. Sir, Lord Benson's well-reasoned article "A sacrifice to competition" (March 1), has an apt title. However, would it be unreasonable to suggest that the subject under discussion could also be entitled "A sacrifice in the interest of economy to the detriment of the ordinary member of the public or is that too long?"

From Mr M. Dutchman-Smith. Sir, Lord Benson's concern for the independence and integrity of the judicial system is commendable. However, perhaps he could explain how this objective is best achieved by allowing a small professional body of the long? Another shorter possibility is "Popular elections" or is that too cynical? In any event voices as eminent and objective as Lord Benson should not be ignored.

The cleanest way to rear a hen

From Mr John Coles. Sir, Referring to the article entitled "The Great British Food Debate" (February 28), I wish to make the following points regarding misleading and inaccurate information which has been included in this article.



Genius Loci

From Mr Gilbert Hoplay. Sir, The "Genius Loci" correspondence (Letters, March 2 and 3) rightly affirms the symbolism of the City churches, but it is wrong in perpetuating the assumption that they are empty and silent: the ones that I know are anything but.

This is not true. Disease does not spread rapidly among hens reared in close proximity (that is, the battery system). The reverse is true. Of those salmonella outbreaks which have been traced back to eggs as a possible source, a disproportionate percentage have been traced back to free range eggs.

Local benefits

From Mr Hugh Williamson. Sir, As Kevin Done pointed out in his use of the term "thorny issue" of local content in Japanese cars built in Europe (February 27), there is confusion over what are commonly acceptable standards, and how to define and measure local content.

of battery hens is half that of free range hens. The article says that the parliamentary committee's hearings highlighted the way disease can spread in hens reared in close proximity. The committee's hearings did not highlight this.

Tulip computers advertisement featuring a computer monitor and keyboard, with text: 'This European does the work of 4 Americans, 3 Koreans and 2 Japanese. By developing innovative components and by committing substantial financial and human resource to research and development, Tulip Computers, Europe's fastest growing microcomputer manufacturer, produces the smallest (probably) and most powerful microcomputers available today.'





INTERNATIONAL COMPANIES AND FINANCE

UAP strengthens links with CGE

By Paul Batts

UNION DES ASSURANCE DE PARIS (UAP), the leading French state-owned insurance group, has strengthened its links with Compagnie Générale d'Électricité (CGE), the privatised telecommunications and heavy engineering group.

The move, which sees UAP increasing its stake in CGE from 2.5 per cent to 3.5 per cent, and will also involve the nomination to the CGE board of Mr Jean Peyrelevade, the UAP chairman, is designed to reinforce the CGE share structure and provide a more equitable balance in the CGE capital structure.

However, the agreement falls considerably short of a major reorganisation of the CGE core shareholding structure. CGE had been among the principal targets of the Socialist Government's efforts to break-up the Gaullist-dominated core shareholding structures of recently privatised groups.

But after negotiating a successful compromise over the shareholding structure of Havas, the privatised advertising and media group, the Socialist Government was acutely embarrassed by the clumsy attempt to restructure the shareholding structure of Société Générale, the country's leading privatised bank. A compromise was finally reached last month.

In the case of CGE, both the Government and the privatised



Jean Peyrelevade: place on CGE board avoided conflict

company have avoided a potentially serious conflict by negotiating both the small increase in UAP's stake in CGE, and more significantly the nomination of Mr Peyrelevade to the CGE board.

At the same time, UAP through a share exchange transaction with CGE has increased its stake to 7 per cent in Générale Occidentale, the diversified media group controlled by CGE.

With 3.5 per cent of CGE's capital, UAP has become the third largest single shareholder in the privatised telecommunications and heavy engineering group after SocGen with 7.8 per cent and Société Générale de Belgique with 4.2 per cent.

Kirch fights to be recognised at Axel Springer

Where and when is a shareholder? Answer: in West Germany, when his name is Leo Kirch and he holds registered voting shares in Axel Springer Verlag, one of Europe's leading newspaper groups.

The saga of the attempts by Mr Kirch, a Munich film magnate who owns more film and television rights than anyone else in Europe, to have his holding in Springer registered by the company's supervisory board, puts the average episode of Dallas to shame.

Episode one began almost a year ago, when Mr Kirch announced he had agreed to pool his stake with Mr Franz Burda and Mr Frieder Burda, two brothers who owned roughly 26 per cent of the company between them. Mr Kirch's 10 per cent and a further 16 per cent over which he claimed to have a say would have given the group a small majority of Springer's shares.

That was unwelcome to Mrs Friede Springer and the other beneficiaries of the deceased Axel Springer, the German of the post-war press scene who built up an empire of newspapers and magazines in a group bearing his name.

A complicated construction put together shortly before his death in September 1985 gave Mrs Springer and beneficiaries around 26 per cent of the shares while Mr Kirch came on board with 10 per cent.

However, the relationship between Mr Kirch and the Springer beneficiaries turned sour. Matters came to a head in December 1987, when Mr Kirch's hopes of raising his

stake and gaining representation on Springer's nine-member supervisory board were dashed when Mrs Springer and the beneficiaries, backed by most of the board, turned down his application.

At stake is near control of one of Europe's biggest print groups when both the domestic and European media scenes - especially broadcasting - are undergoing huge changes. In Germany most of all, where private broadcasters have had a slow start compared to neighbouring countries, the climate has been changing fast as more homes are hooked into the enlarging cable network and private stations gain limited ground-based broadcasting rights.

Mr Kirch has long sensed the opportunities for cross-marketing between film, television and print. His company brochure reckons that the future of the markets involves "the emergence of enterprises which combine print and audiovisual media to benefit from the resulting synergies."

So far he has concentrated on the first two, building up a huge library of film and TV rights and increasing his involvement in co-production to feed the appetites of Europe's growing number of private TV stations.

But with popular TV programmes commanding big audiences, spin-offs in print and merchandising have followed. The Kirch group has mushroomed, with over 600 employees and sales of around DM600m (\$326m at today's exchange rates) in 1987, making Mr Kirch one of the richest men in Germany, according to

the gossip columns.

Recently, the group has become directly involved in broadcasting too. Last year, it took a 49 per cent stake in PKS-Programmgesellschaft für Kabel- und Satellitenrundfunk, which has a 40 per cent stake in SAT 1, a private German TV channel transmitted by cable but now also being broadcast terrestrially in certain regions.

In April the Kirch-Burda plan came spectacularly unstuck when the two Burdas reached a surprise deal to sell their shares to the Springer

shares. There was a showdown in January, when Mr Kirch asserted - and Springer denied - that he now held more than 25 per cent of its stock.

The problem lies in the system of registered voting shares issued by some once-private German companies which have wanted to raise capital but retain control. While Mr Kirch owns the stock - and is entitled to receive the dividends on it - he is not an owner as far as the supervisory board is concerned until the shares are

eral joint ventures with Mr Kirch of late and has even started competing in selling film rights. It has also shown interest in taking a stake in a new Munich-based private broadcaster.

By contrast, the Kirch side argues that Springer has barely grused the potential links between "old" and "new" media. "The new generation of enterprise concentrates on the joint development of tomorrow's markets rather than defending the separate markets of today," says its brochure.

Like one of Mr Kirch's TV serials in its mid-season break, the Springer saga has reached a stalemate. But Mr Kirch seems unlikely to rest in his efforts to get his new shares registered.

Springer's next annual general meeting in August could be the opportunity. The shareholder arithmetic is complex, but Mr Kirch could use the occasion to block the traditional "approval" for the supervisory board's policy over the past year, a formal, but nevertheless prestige-laden, procedure under German law.

However, increasing tensions is probably the least adroit tactic for Mr Kirch as present. "We won't do it by fighting or by legal moves," says Mrs Armand von Burgsdorf, the official spokesperson for the press-shy Mr Kirch. "It must be done by negotiations."

She says Mr Kirch has not even applied to have his new Springer shares registered by the supervisory board - the first step to gaining courtroom representation. "We will decide at a later date when we will do this," she explains, implying

that Mr Kirch sees no point in encouraging a slap in the face. The Kirch group is clearly hoping for a break-on-the-Springer side, either through internal divisions or a change of heart among the beneficiaries.

Professor Bernhard Servatius, chairman of the group's supervisory board, is cautious. "I'm not a charlatan enough to say things won't change." However, there is a strong feeling that Mr Kirch, through his recent behaviour with the Burdas and in SAT 1, has hardly commended himself to the company as an acceptable long-term partner.

Professor Servatius denies the Kirch side's assertion that Mr Springer himself was keen to have Mr Kirch as a shareholder in the first place. As for the future, the interests of the company would be best served by both sides avoiding confrontation, he suggests.

However, the Burda stake is just one of a number of factors which could upset the applecart. In November, a local court ruled in favour of Mr Hubert Burda's claim that he had a right of first refusal to his brothers' Springer shares. That ruling is now being challenged at a higher level, but it has opened the possibility that the Burdas' 26 per cent stake sold to the Springer beneficiaries may not be in firm hands.

Meanwhile, Mr Kirch is juggling his time and investing in other outlets for his film rights. His patience and financial reserves may decide in the end whether the name of Kirch joins those of Murdoch and Berlusconi among Europe's media barons.

West German tyre group drives up sales by 57%

By Our Financial Staff

CONTINENTAL, West Germany's largest tyre group, boosted sales by almost 57 per cent in 1988 to DM5.6bn (\$4.34bn) from DM3.6bn in 1987.

However, the company also said its introduction of a new series of tyres using the so-called runflat ContiTyreSystem (CTS) - which may be driven deflated over some distance - has been delayed. "We're working with a number of automobile manufacturers to make the new tyres more marketable," Continental said. In a brief interim report, Continental said the surge in

revenues was accounted for by the first-time inclusion of the acquisition in 1987 of the US-based General Tire.

Excluding the turnover generated by General Tire, Continental's sales rose 7 per cent last year to DM5.45bn.

Continental did not provide detailed earnings data, saying only that income rose by a two-digit percentage.

"General Tire contributed a substantial amount to the company's earnings," said a spokesman. "But even without it, Continental's earnings rose strongly."

Dutch package group moves up

By Our Financial Staff

Bühmann-Tetterode, the Dutch paper and packaging group, said yesterday that net earnings in 1988 rose 26.4 per cent to FI 164.6m (\$65m) from FI 130.2m a year earlier.

Net income per share rose to FI 6.15 - on a 9.7 per cent increase in share capital - from an adjusted FI 5.32 a share in 1987. The adjustment reflected a stock dividend.

The group is proposing a dividend of FI 2.45 per share for 1988, up from FI 2.10 in 1987.

Swedish funds bid for property company

By Sara Webb in Stockholm

THREE OF Sweden's national pension funds yesterday launched a SKr2.6bn (\$411m) bid for Nisses, a Swedish property company, in the hope of gaining from booming property prices in the major cities.

Since restrictions were lifted last year, the national pension funds have been free to invest up to 5 per cent of their total funds - now standing at SKr330bn - in property companies.

The rest is invested in bonds, although there has been a debate recently as to whether investment rules should be

broadened to include all listed companies.

The national pension funds have already secured acceptances for the bid from major shareholders, including Nordbanken (the fifth largest commercial bank), Trygg-Hansa (an insurance group), Industrivaerden (an investment company), and the Kaelqvist family, thereby giving them control of 73 per cent of the shares, and 92 per cent of the votes.

The offer of SKr170 per A class share represents a 7 per cent premium over the market

price before trading in the shares was stopped yesterday morning ahead of the bid announcement.

Mr Kenneth Andersson, managing director at Nisses, said the company had benefited from the boom in real estate prices in the major cities during the past couple of years, adding that the value of the group's real estate jumped from SKr2.35bn in 1987 to SKr3.6bn last year.

About 95 per cent of the group's real estate is in the commercial sector, and is chiefly concentrated in the

Stockholm area, although the company has a small percentage of its portfolio invested in London.

Mr Kristers Wickman, managing director for the pension funds, conceded that property prices could show signs of levelling off soon, but added "we are long-term investors and in the long run we expect the return from real estate to be higher than from bonds."

Nisses showed profits (after financial losses) of SKr32.2m on sales of SKr141m in 1987. Figures for 1988 have not been released yet.

Norsk Data to pass dividend

By Karen Fosell in Oslo

NORSK DATA, Norway's troubled minicomputer group, is to pass its dividend payment for 1988 after plunging into the red. This is the first time it has passed its dividend since it was established 16 years ago, and blames softening in the Scandinavian market, source of 70 per cent of its business.

In January Norsk Data posted a pre-tax deficit of NKr371m (\$123m) for 1988, following 1987's decline of 49 per cent in pre-tax profits on 1988. During those years, however, it still paid a dividend.

Advertisement for FIAT American Depositary Shares, listing symbols for Ordinary, Preference, and Savings shares, and naming The First Boston Corporation as the advertiser.

Advertisement for Jan Bell Marketing, Inc. listing 2,150,000 shares of common stock available through Goldman Sachs International Limited, Oppenheimer & Co., Inc., and Thomson McKinnon Securities Inc.

INTERNATIONAL COMPANIES AND FINANCE

Sime Darby advances 'all-round' in first half

By Wong Sulong in Kuala Lumpur

SIME DARBY, the Malaysian conglomerate, has attributed a strong first-half performance to an "all-round improvement in profitability of the group, with plantations, heavy equipment and the Hong Kong operations leading the way.

Investment income also rose substantially, reaching 21m ringgit (US\$7.7m), reflecting the contribution from its 7.4 per cent stake in the London-based Harbours and Crossfield, acquired from the Malaysian state-controlled Permodalan Nasional last year.

At the weekend Sime reported a 69 per cent increase in pre-tax profits to 288m ringgit for the six months to December on turnover which rose 31 per cent to nearly 2bn ringgit.

Profit after tax and minorities rose 113 per cent to 136.5m ringgit, and the group is increasing its interim dividend to 5 cents per share from 4 cents. Sime said it expects the strong earnings performance to be maintained in the second half of the year.

Of Sime's listed Malaysian subsidiaries, Consolidated Plantations recorded an 84 per cent increase in after-tax profits to 46.1m ringgit on turnover up 14 per cent to 331m ringgit. The strong profits were attributed to much higher prices of palm oil and rubber, particularly rubber latex. The company is paying an interim dividend of 8 cents, up from 6 cents.

Tractors Malaysia, another subsidiary, showed a third successive year of recovery, reporting an increase of 11 per cent in net profit to 16.4m ringgit. The interim dividend is unchanged at 12.5 cents.

DKIB (formerly Dunlop Malaysian Industries) had after-tax profits of 15.9m ringgit, an increase of more than 150 per cent, on turnover which rose 14 per cent to 124m ringgit. The recovery in the local car market, and higher exports of truck and earth-mover tyres were responsible for the improved performance. The interim dividend is increased to 3 cents from 2 cents.

United States Projects, the property arm, had net profits of 3.4m ringgit, an improvement of 20 per cent on a decline in turnover of 8 per cent to 63m ringgit. No interim dividend is proposed.

NAB in fresh approach to NZ bank

By Dai Hayward in Wellington

NATIONAL AUSTRALIA Bank (NAB), in association with New Zealand's Government Life Insurance Company, has renewed its attempt to buy Bank of New Zealand, the state-controlled banking group which the Wellington Government wants to privatise.

It has asked to examine the books in a "due diligence" process before submitting a new bid. Although NAB has been interested in buying the 57 per cent Government shareholding in BNZ ever since it was offered for sale last year, it did not offer a high enough price when bids were considered by the Government.

In December the Government withdrew the bank from sale, but it is believed the

authorities may now have encouraged NAB to make a fresh approach.

Mr David Caygill, Finance Minister, is anxious to sell BNZ as quickly as possible, although additional had debts and losses revealed in February, following the collapse of Mr Allan Hawkins's Equitcorp investment group, appeared to make any immediate sale unlikely. Mr Caygill himself has said he did not think the bank would be ready for sale for some months.

However, the Government is anxious to reach its target of NZ\$2bn (US\$1.2bn) in asset sales this financial year. Even if the actual sale price has not been received, Mr Caygill says agreement to buy would be

regarded as being part of the NZ\$2bn.

Directors of BNZ have been meeting to discuss whether they could reveal to NAB or to other potential buyers what had been previously regarded as confidential information.

NAB is anxious to increase its market share in New Zealand, where it and Government Life already have a small joint financial operation. NAB has as its target a 10 per cent share of the retail banking market within five years. Acquisition of BNZ would comfortably exceed this.

NAB has moved to establish a presence in New Zealand since it obtained a banking licence after the country's banking sector was opened up

to foreign institutions two years ago.

ANZ Bank is buying 25 per cent of General Finance & Securities, a Thai finance company, AP-DJ reports from Melbourne.

It did not disclose the price for General Finance, which it described as the largest non-bank-affiliated finance and securities trading company in Thailand. Assets at the end of 1988 were 3bn baht (US\$119m).

Schroders Australia, an investment bank owned by Schroders of the UK, said profits were up 20.5 per cent to A\$7.1m (US\$5.8m) last year. Total assets increased to A\$32m from A\$26m.

Safren lifts half-year profit 37%

By Jim Jones in Johannesburg

INCREASED FOREIGN trade volumes and higher revenues from casinos lifted sales and profits of Safren, the South African shipping, gambling and transport group, by 27 per cent in the six months to December.

It expects satisfactory profits in the current half but has warned shareholders of possible problems in Transkei where Mr Solomon Kerzner, a director, bribed a former prime minister. Mr Kerzner has resigned from the boards of Safren and its subsidiaries.

Consolidated turnover rose to R1.66bn (\$663.7m) from R1.23bn, the interim operating profit before interest, depreciation and tax rose to R246.6m from R233.5m and the pre-tax profit increased to R276.8m from R169.7m.

Sam Bophuthatwana, the casino operating subsidiary in the black "homeland," lifted revenues and profits strongly. However, Transkei Sun, which faces legal action following Mr Kerzner's admission that he had bribed Chief George Mankomo, registered a slower growth.

Safren's first-half net earnings rose to 172 cents a share from 124 cents and the interim dividend has been lifted to 45 cents from 36 cents. Last year's full earnings were 293 cents from which a total dividend of 135 cents was paid. The company is controlled by Old Mutual, South Africa's largest insurance group.

Cable group buys share in hotel

By Michael Murray in Hong Kong

PACIFIC ELECTRIC Wire and Cable, a Taiwanese listed conglomerate, has moved into the booming Hong Kong hotel sector with the HK\$633m (US\$106.8m) purchase of a half share in the luxury Conrad International Hotel, which is under construction and scheduled to open next year.

The stake is being acquired from Swire Properties, which is reducing its holding in the project from 40 per cent to 20

per cent, and Conrad International Investment Corporation, which is selling half its 60 per cent stake. On completion the hotel will be managed by Conrad International Hotels, the international operating subsidiary of Hilton Hotels of the US.

The hotel is one of three included in the Pacific Place development on the fringe of the territory's central district being undertaken by Swire Properties, a wholly owned

subsidiary of Swire Pacific. The nearby Marriott opened its doors to its first guests last week, while the Shangri-La is scheduled to open next year.

Pacific Electric is the largest manufacturer of cable and wire in Taiwan, and has diversified into construction, department stores, leisure and leasing activities. The group recently acquired eight Texan savings and loan companies for US\$37.5m.

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Ashton plans rights issue and maiden dividend

By Kenneth Gooding, Mining Correspondent

ASHTON MINING, the Australian diamond and gold group, yesterday announced flat profits for 1988, a first-ever dividend and a one-for-three rights issue to raise A\$66m (US\$33.7m).

Officials said the cash would be used to help fund Ashton's share of the expansion of the Argyle diamond mine in Australia in which it has a 38.2 per cent stake. It would also go towards retiring debt taken on last year following the full acquisition of Hill Minerals and a 47 per cent shareholding in Carr Boyd Minerals, two Australian gold producers.

These acquisitions would more than treble Ashton's share of gold production this year to 75,000 troy ounces. Ashton, which is 46 per cent owned by Malaysia Mining

Corporation, said its equity-accounted net profit last year was A\$25.9m compared with A\$25.34m in 1987.

Sales totalled \$111.36m against \$98.36m. A 6 cents a share dividend will be paid or shareholders can take instead a one-for-15 bonus issue.

Sir Leslie Proggatt, Ashton chairman, said diamond production at the Argyle mine rose by 14 per cent to 34.5m carats last year. However, the rise in the value of the Australian dollar substantially reduced earnings. Argyle plans to spend about A\$77m reworking and redeveloping alluvial reserves. This is expected to lift ore throughput from 4.7m tonnes a year to 6m tonnes and add an estimated 2m carats to diamond output by the middle of 1990, Sir Leslie added.

Boral earnings rise 50% on back of building boom

By Our Financial Staff

BORAL, the Australian building products group, achieved a 50 per cent boost in profits for its first half to December, fuelled by a domestic construction boom which Mr Bruce Kean, the chief executive, acknowledged yesterday had peaked.

Profits were A\$150.1m (US\$122m) compared with A\$100m, as sales grew to A\$1.79bn from A\$1.38bn. The interim dividend is being pushed up to 14 cents a share - fully franked for tax purposes and including a 4 cent payment to absorb all such benefits available. In the previous first half 9.5 cents was paid. Mr Kean said housebuilding activity should "remain high for quite some months."

adding: "The next trough will be much higher, and may not be much lower than the previous peak."

By contrast, Boral's US operations, centred in the depressed home building sector and also hit by the stronger Australian dollar, fell 22 per cent to a net profit of A\$21m. The company was none the less looking at other acquisitions there and in Continental Europe, Mr Kean said. Spicers Paper, a fine-paper maker 45 per cent owned by James Hardie Industries of Australia, has agreed to buy Fraser Paper, a US fine-paper merchant. This completes Spicers' distribution network across the West Coast of the US, adding outlets in Portland and Seattle.

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INTERNATIONAL COMPANIES AND FINANCE

# Investors rush to book a seat on Illinois Central

Deborah Hargreaves looks at prospects for a US railroad group

AT THE beginning of the year when Illinois Central Transportation was spun off from its consumer product group parent, the Midwestern railroad had little inkling of how frantic life in the public domain would prove.

It has been full steam ahead for the company's shares as suitors raced to show an interest in the company. The 127-year-old railroad which employed Abraham Lincoln as a lawyer and the legendary "Casey Jones" who drove his Cannonball Express, has seen its share price almost double to \$21 in hectic trading.

News of a hostile \$44m tender offer from the diversified Prospect group set pulses racing at Illinois Central's Chicago headquarters. Mr Henry Bruce, IC chairman, clearly surprised by the \$20-a-share bid, initially put off any comment. "Sound decisions are seldom made by those running around with a full head of steam," he said. But the company's board has since decided to talk to Prospect as well as other parties. Prospect's bid is valid until March 10.



Railroads run through the heart of Chicago, the windy city

The offer was shortly followed by a disclosure from the Illinois grain conglomerate Archer Daniels Midland, that it is seeking to raise its stake in IC to 25 per cent, after steadily acquiring 9.8 per cent of the company's shares since the flotation.

The rush of interest in IC has an ironic ring to it since its former parent, IC Industries - now renamed Whitman Corp - had the railroad on the block for years before spinning it off. At the time, no one showed a flicker of interest in the division and IC began selling off parts of its extensive rail network in an aggressive cost-cutting exercise.

Mr Bruce has in five years reduced the company's 7,000 miles of track to a 2,229 stretch running from Chicago to New Orleans. IC has concentrated on sending chemicals, grain and coal to the Southern port on a route parallel to the Mississippi river.

The Prospect bid adds a further twist of irony to IC's fate as it is Prospect's success in turning round a moribund

short rail line it bought from IC in 1986 which makes it think it can do the same for IC MidSouth, which now operates 1,200 miles of track in the Gulf states, has been rated one of the most efficient small railroads in the country.

"We hope we can make IC more efficient, although it would not be quite the dramatic story we had at MidSouth," a Prospect spokesman commented. However, Prospect has not come up with any specific plans on how it would improve IC's profits.

MidSouth currently operates as a separate firm and Prospect says it will relinquish voting control if it takes over IC, thus avoiding the need for a lengthy process to gain approval for the deal from the Interstate Commerce Commission.

Illinois Central has faced fierce competition in recent years from freight trucking companies as well as the lower-cost barge operations running on the Mississippi.

The company received an unexpected boost last year, however, when the widespread

# Bank Julius Baer profits down 6% as commission income drops

By John Wicks in Zurich

THE ZURICH-BASED Bank Julius Baer reported a 6 per cent fall in net earnings last year from SF33.2m to SF28.9m (\$23.4m) due to a decline in income from commission.

Despite this drop, it is intended to pay an unchanged dividend of 19.5 per cent to its parent company Baer Holding on an increased share capital of SF125m (1987: SF115m).

Baer Holding itself, a family-controlled company in which Union Bank of Switzerland owns less than 7 per cent, reports a 7 per cent decline in consolidated net profits from SF72.5m to SF67.5m (up 15 per cent).

The consolidated balance sheet rose by 17 per cent last year to SF5.62bn, of which the Zurich bank, together with its London and New York branches, accounts for SF3.85bn (up 15 per cent).

Bank Julius Baer experienced a drop of 16 per cent in net commission income to SF124.6m (1987: SF145.9m) in the wake of low stock-exchange volumes, while net interest income improved 19 per cent from SF28.5m to SF34.1m.

Earnings from trading in foreign exchange and precious metals rose by only 1 per cent from SF62.5m to SF63.5m, while that from securities jumped by as much as 82 per cent from SF29.5m to SF54.2m.

In the current year, bank results for the first two months were "substantially above expectations."

President Mr Hans Baer, speaking in Zurich yesterday, said the bank was "confident" as to further development this year and viewed 1989 with cautious optimism.

The bank foresees a further, "traditional" capital increase in the course of 1989.

Mr Rudolf Baer, of the management of Baer Holding, said the parent company expected an increase in profits for the business year ending March 31.

Any decision on a capital increase of the holding company would be taken at a later date, he added.

In fact, IC was so pleased with the drought's impact on its business that it commissioned a study to look at the long-term implications of the "greenhouse" effect on water levels in the river.

Dismissed by critics as a thinly-disguised marketing ploy, the report maintains that long-term weather trends threaten to undermine the viability of the river system. Mr Bruce has said he wants to convince shippers that last summer's drought was not a flash in the pan but will continue for a long time.

IC is still pushing hard to cut costs. Mr Bruce plans to sell IC's intermodal operations, which could raise \$50m, in an effort to make the railroad a success as a stand-alone business. But he has few options on cutting back - IC has little fat left to pare - which is forcing him to listen to Prospect

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FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday March 6, 1989. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns for COUNTRY, S. STG, US \$, D-MARK, YEN (of 100), and sub-columns for COUNTRY, S. STG, US \$, D-MARK, YEN (of 100). Lists various countries and their exchange rates.

Special Drawing Rights March 3 1989 United Kingdom £0.783665 United States \$1.312424 Germany West D Mark 2.456781 European Currency Unit March 6 1989 United Kingdom £0.517776 United States \$1.259494 Germany West D Mark 2.076272 Japan Yen 144.571

Abbreviations: (a) Free rate; (b) Business rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Financial rate; (g) Export; (h) Non-commercial rate; (i) Business rate; (j) Buying rate; (k) Selling rate; (l) Bid rate; (m) Offer rate; (n) Central bank rate; (o) Official rate; (p) Official rate; (q) Official rate; (r) Official rate; (s) Official rate; (t) Official rate; (u) Official rate; (v) Official rate; (w) Official rate; (x) Official rate; (y) Official rate; (z) Official rate.

INTERNATIONAL CAPITAL MARKETS

SIB may tighten up rules on 'soft' commissions

By Norma Cohen

THE SECURITIES and Investment Board, responsible for the regulation of the British securities industry, yesterday suggested further curbs might be necessary on the payment of 'soft' commissions, under which brokers rebate some commission income back to fund managers in the form of goods and services.



David Walker: heading an organisation under fire

An investor turns his funds over to a professional manager, adding a small management fee on top intended to cover overhead and profit. The fund manager, in turn, agrees to give a stockbroker, say, £100,000 of commission based at a pre-agreed rate. In return, the stockbroker provides the money manager with a number of services used to run the business - typically computer software of various reports - a percentage of the commission business.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns for US DOLLAR STRATEGISTS, Change on week, Yield, and YEN STRATEGISTS, Change on week, Yield. Lists various international bonds and their performance.

TRADE INDEMNITY CREDIT RISK MANAGEMENT SERVICES 01-739 4311

COMPANY NOTICES FIDELITY INTERNATIONAL FUND Societe d'investissement a Capital Variable 13, Boulevard de la Foire R.C. Luxembourg B 25054

C. ITOH AND CO. LTD OSAKA, JAPAN 7th March, 1989 NOTICE OF THE RESOLUTION OF THE BOARD OF DIRECTORS CONCERNING THE ISSUANCE OF NEW SHARES

FINANCIAL TIMES GUIDE TO UNIT TRUSTS by Christine Stopp Why should you become a unit trust investor? Will a unit trust perform better than a building society account? Why unit trusts rather than shares? This guide answers these and other questions and outlines all you need to know to make an informed investment decision about unit trusts.

INTERNATIONAL CAPITAL MARKETS

Consumer spending drop triggers rally in gilts

By Katharine Campbell in London and Karen Zagor in New York

UK GILT-edged securities rallied yesterday, buoyed initially by a firmer currency and helped further by gathering evidence that consumer demand is slowing.

GOVERNMENT BONDS

The benchmark 11% per cent Treasury stock due 2003-2007 opened 1/2 of a point firmer and was trading almost half a point up at 117 1/2 after revised retail

sales figures for January showed a 2.4 per cent drop after the earlier preliminary 1.5 per cent decline.

Traders, if not economists, believe this gives confirmation that UK Chancellor of the Exchequer Nigel Lawson's high interest rate policy is working to dampen inflationary pressures, and allowed the gilts market to put aside worries of a further base rate increase, at least for a while.

Sterling continued to strengthen during the afternoon, towards DM13.15 at one point, helped along all day by the memory of Bank of England intervention last week and by the knowledge that the central bank can draw on considerable reserves to support the currency.

Towards the close prices drifted slightly off the day's highs, with the benchmark quoted at 117 1/2 in late trade.

GERMAN GOVERNMENT bonds opened 10-20 basis points lower due, dealers said, to technical factors on the Life futures contract in London. Prices at the daily stock exchange fixing were 20-48

plunge firmer, with limited retail interest reported but, as market watchers were not expecting the Fed to intervene. There are no coupon auctions this week or next.

The purchasing managers' report for February released yesterday was virtually unchanged at 53 per cent from January's level of 52.2 per cent.

According to analysts at Griggs and Santow, the fact that purchases remained at a similar level for two consecutive months began to establish a trend and indicated that the economy would grow at a real annual rate of about 3 per cent for the next quarter or two.

This evidence of a slight slowdown in the US economy in February helped keep treasury firm.

The market is now waiting for employment data due out on Friday morning. Economists are expecting the rate of job creation to slow down.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week Ago, Month Ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

London closing, standard New York morning session. Prices: UK, US in \$/100, others in decimal. Source: Financial Data/ATLAS Price Sources.

CPR starts European expansion in London

By David Lascelles, Banking Editor

COMPAGNIE PARISIENNE de Reescompte, France's largest discount house, is seeking a partner in London to expand its international operations.

Mr Henri Cukierman, chairman and chief executive, said yesterday that the company had a venture in mind but it was too early to say what form it would take.

Until now, CPR's main overseas operation has been a subsidiary in New York. CPR specialises in money market operations, gold bullion and foreign banknotes.

Danish fund to be based on FT World Index

By Xuelling Lin in Copenhagen

PRIVATINVEST, the Danish mutual fund group, is launching a fund based on the FT Actuaries World Index of 200 to 250 shares.

The fund will be adjusted two to four times a year, with no currency hedging. The difference in yield between the portfolio and the FT World Index is not expected to vary more than 2 per cent.

Trading slows ahead of US data

By Andrew Freeman

ACTIVITY on Eurobond markets dropped sharply yesterday, with many institutions reluctant to commit funds before the US unemployment figures due on Friday, and prices were largely unchanged.

J.P. Morgan took advantage of Friday's late rally on the Canadian Treasury market to

INTERNATIONAL BONDS

launch a C\$200m deal for IBM Canada. The five-year bonds carry a 11% per cent coupon and were priced at 101 1/2 to yield 32 basis points over the 10% per cent 1994 government bond.

Bidding for the mandate was fierce, with a wide range of bids reflecting a lack of conviction among Eurobond houses that investor demand for Canadian dollar paper would support an issue.

Several houses commented that the terms of the deal were tight, but yesterday's good performance by the underlying government bond markets helped its reception.

The lead manager reported good demand from a range of investors and was quoting the bonds at less 1.50 bid.

A Euro-sterling £125m deal was launched for Asda Group by Barclays de Zoete Wedd. The bonds, which mature on April 20 2010, were priced to yield 180 basis points over the 9 per cent 2008 UK gilt-edged issue. The coupon was set at 10% per cent.

Steady demand from UK institutions saw the bonds trading at a small premium to the issue price. Asda will use the funds for its programme of

This structure was seen on a series of similar issues two weeks ago. Bankers Trust aimed the bonds at German demand, inviting a number of German banks into the syndicate in an attempt to place the paper away from the Benelux countries where demand was more than satisfied by previous deals.

The bonds were quoted by the lead manager at less 1 bid, a discount equivalent to full fees. The issue proceeds were swapped into floating-rate US dollars.

In Germany, two deals launched on Friday traded well as secondary market bonds rose on average by around 1/4 point. Recent issues were the focus of busy trading.

Credit Foncier's DM300m deal was quoted by the lead manager, Deutsche Bank, at less 1.85 bid, well inside fees of 2 1/2 per cent. The Hellenic Industrial Development Bank DM150m deal was quoted at less 1.1 bid, well within fees of 2 1/2 per cent, amid good retail demand for its high yield over domestic

After the close of London trading yesterday, a Credit Suisse First Boston official confirmed that the firm had informed co-managers that it was unlikely to pay any underwriting fees on its Ecut00m issue for Toyota Motor Credit Corporation. The issue was subjected to a three-week short squeeze when some co-managers and traders sold bonds they did not own.

CSFB told co-managers that the firm was unlikely to be paid due to losses incurred during stabilisation of the deal. An official said that the syndicate account still owned most of the Toyota bonds, adding that unless market conditions altered dramatically the firm would exercise its right to withhold fees.

store refurbishment and development.

In Switzerland, Friday's SFR125m issue for Heron International was increased yesterday to SFR150m. Before the announcement of the increase, the bonds were trading at less 1/4 bid, but the price then declined to less 1/2 bid amid steady demand.

Bank in Liechtenstein's SFR135m seven-year issue was trading well within its underwriting fees at less 1/4 bid.

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Bank in Liechtenstein's SFR135m seven-year issue was trading well within its underwriting fees at less 1/4 bid.

In Germany, two deals launched on Friday traded well as secondary market bonds rose on average by around 1/4 point. Recent issues were the focus of busy trading.

Credit Foncier's DM300m deal was quoted by the lead manager, Deutsche Bank, at less 1.85 bid, well inside fees of 2 1/2 per cent. The Hellenic Industrial Development Bank DM150m deal was quoted at less 1.1 bid, well within fees of 2 1/2 per cent, amid good retail demand for its high yield over domestic

After the close of London trading yesterday, a Credit Suisse First Boston official confirmed that the firm had informed co-managers that it was unlikely to pay any underwriting fees on its Ecut00m issue for Toyota Motor Credit Corporation. The issue was subjected to a three-week short squeeze when some co-managers and traders sold bonds they did not own.

CSFB told co-managers that the firm was unlikely to be paid due to losses incurred during stabilisation of the deal. An official said that the syndicate account still owned most of the Toyota bonds, adding that unless market conditions altered dramatically the firm would exercise its right to withhold fees.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount in \$/£, Coupon, Price, Maturity, Fees, Book runner. Rows include Bettevco, Canadian Dollars, IBM Canada, Australian Dollars, Sterling, Asda Group, US Dollars, Mitsubishi Bank Europe, Flash Ltd, NIKEN Chemicals, SNIP, Swiss Francs, Heron International, Heron Int.Financial, Final terms fixed on, Komatsu Finance.

Niugini seeks to raise A\$70m-A\$100m

By Kenneth Gooding, Mining Correspondent

NIUGINI MINING, the Australian group, is seeking shareholders' permission to raise between A\$70m and A\$100m (US\$70m and US\$100m) to help finance its 20 per cent share of the development of the Lihir Island gold deposit in Papua New Guinea, believed to be the

largest of its kind outside South Africa. The company wants to place 20m shares and options to broaden its financial base. This would increase Niugini's capital by about one-third. Niugini said talks were taking place with several large

mining groups which have expressed an interest in taking a shareholding in the company. Negotiations are now sufficiently advanced to seek approval for the placing and the final outcome is expected to be very favourable to existing shareholders.

HK computer clearing moves a step closer

By Michael Marry in Hong Kong

HONG KONG'S progress towards a computerised paperless clearing and settlement system took a step nearer reality yesterday with the announcement of the formation of Hong Kong Securities Clearing, a new company limited by guarantee which will own and operate the system. It is expected to cost over HK\$100m (US\$12.8m).

Hong Kong Securities Clearing will be 50 per cent owned by the Stock Exchange itself, with the other half split equally between the Hongkong and Shanghai Bank Bank of China, Standard Chartered Bank, Hong Seng Bank, Citicorp and Bank of East Asia.

The chairman of the company is Mr Ronald Carstairs, chief manager of the Standard Chartered Bank Hong Kong, while the post of chief executive goes to Mr Felix Chow, who recently left the Kowloon Canton Railway Corporation.

Hong Kong's present clearing and settlement system involves the exchange of huge volumes of physical scrip, which in times of heavy turnover can result in severe settlement backlogs such as in the mid of the October 1987 market crash when the local stock market ceased operations for four days.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index No., Index No., Index No., Index No., Year ago (approx.). Rows include EQUITY GROUPS & SUB-SECTIONS (1-99) and FT-SEE 100 SHARE INDEX.

FIXED INTEREST

Table with columns: Price, Index No., Day's change, Fri Mar 3, 1989, 1989, 1989, 1989, Year ago (approx.). Rows include BRITISH GOVERNMENT (1-5), Other (6-10), Inflation-linked (11-13), Other (14-17), Preference (18).

RISES AND FALLS YESTERDAY

Table with columns: Rises, Falls, Same. Rows include British Funds, Corporate, Domestic and Foreign Bonds, Financial and Properties, Oils, Minerals, Others.

LONDON RECENT ISSUES

Table with columns: Issue Price, Amount, Latest, 1989/90, High, Low, Stock, Closing Price, +/-, Div. Yield, Div. Yield. Rows include various corporate and government bonds.

RIGHTS OFFERS

Table with columns: Issue Price, Amount, Latest, 1989/90, High, Low, Stock, Closing Price, +/-, Div. Yield, Div. Yield. Rows include various rights offers.

TRADITIONAL OPTIONS

Table with columns: First Dealings, Last Dealings, For settlement, For rate indications see end of London Share Service. Rows include various options.

LONDON TRADED OPTIONS

Table with columns: Calls, Puts, Calls, Puts, Calls, Puts. Rows include various options on different stocks and indices.

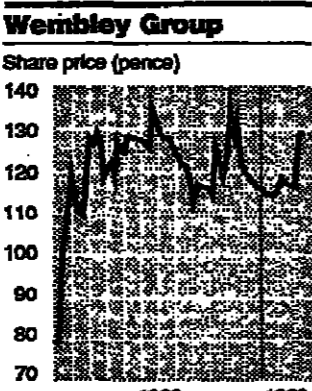


UK COMPANY NEWS

Surplus of £63m from 'conservative' property revaluation
Wembley scores with £11.24m

By Philip Coggan

WEMBLEY, the property and leisure group, yesterday reported pre-tax profits for 1988 of £11.24m, with the help of a £4.14m exceptional item. The profits figure compares with £2.15m in the previous year.



13,000 spectators. The number of 'event days' in 1988 increased from 280 to 320 while the exhibition centre also experienced a steady increase in usage.

During the year, Wembley acquired Pacer Corporation, which makes admission equipment for cinemas and arenas; it also bought a 20 per cent stake in United Tote, which supplies computerised totalisator equipment in the US.

Mr Wolfson was philosophical about the setback. 'The good news is we raised £250m,' he said. 'The bad news is we weren't around to spend it.'

Fully diluted earnings per share were 9p. In 1987, earnings per share were nil, since all post-tax profits came from extraordinary items. A recommended final dividend of 1p makes a total of 1.5p (1.1p).

Wembley rather lost its way strategically last year, thanks to the 'on-off' mergers with Mountleigh and Thomson T-Line. But as these results illustrate, the underlying business is very strong and Mr Wolfson has plenty to do without a further purchase.



Michael Jackson: world record aggregate attendance.

The group's cash flow can be judged by the fact that the interest earned on money sent in early for tickets provides around 3-5 per cent of profits. Without exceptional items, pre-tax profits should be £9.5m this year, although the shares, at 128p, look cheap on an asset basis, they are fully valued on earnings, given the prospective p/e of 18.

Cornwell Parker rises 15% to £4.75m

By David Waller

CORNWELL PARKER, the furniture and furnishings company which used to be called Parker Knoll, yesterday reported a 14.7 per cent increase in pre-tax profits to £4.75m for the six months to the end of January.

This was achieved against a background of industrial disruption at a key subsidiary and problems in the fabrics market caused by the introduction of flammability regulations.

Mr Jordan, chairman of the family-controlled company, said that Parker's position at the top of the market would insulate it to a greater extent than other manufacturers.

Broady in line with expectations, yesterday's 14.7 per cent increase in consumer spending was a slight dampening of demand in January and February. The fact that turnover edged up by only 3.9 per cent, to £37.8m, in the six months period was due to the distorting effect of the disposal of Mexida Weavers - the true like-for-like growth was more like 10 per cent.

benefits at an end, Parker will have to rely on organic growth (from a market under threat from higher interest rates) - and acquisitions. With nil gearing, the company can easily afford plenty of these, on a larger scale than the recent purchase of Country Kitchens.

Irish Ropes in cash call

Irish Ropes has reported pre-tax profits of £1.18m (£934,000) on turnover of £29.02m for 1988. The results compare with £811,000 on turnover of £28.1m for the previous 15 months.

The company also announced that it is raising about £2.7m through a one-for-two rights issue of 3.15m shares at 125p, against this morning's opening price of 185p.

Finlan sells its MMEC stake

By Philip Coggan

Finlan Group, the property development and materials handling group, has sold an 8.8 per cent stake in Merchants Manufacturing Estates Company, the USM-quoted property company.

Last November, Finlan said it was willing to make a one-for-one share offer for MMEC, if it could obtain the agreement of the board.

West Hampshire falls to Biwater's revised offer

By Andrew Hill

BIWATER, the UK private water contractor, has won its agreed bid for West Hampshire Water Company, by increasing the offer for the statutory company's voting stock.

Schroder Investment Management and Regis Star Insurance Company sold their stakes in the company to Biwater at the increased price, which values the whole of West Hampshire Water at £10m, compared with original bid of £8.3m.

Unidare advances to £5.8m

By Andrew Hill

UNIDARE, a manufacturer of electrical cables and transformers, raised its pre-tax profits from £3.02m to £5.81m (£4.8m) for the year ended December 31.

The directors said the results were very satisfactory given the difficult trading conditions encountered by the heating business. The second mild winter in succession, a reduction in consumer spending and higher interest rates had led to a downturn in that market.

Worthington shares leap

By David Waller

SHARES in A.J. Worthington jumped from 44p to 85p yesterday following the announcement of a capital injection and the arrival of an acquisition-minded entrepreneur.

The small textiles company is raising £2.24m net by a one-for-one rights issue at 47p. It is backed by Mr Henry Schuldenfrei, who runs Albion Trust, a private merchant bank and windows for caravans.

Brook, a newly-formed company owned by Mr Schuldenfrei and his associates will end up with at least 33 per cent of the enlarged equity.

Nigerian setback to hit profits at Hobson

By John Ridding

HOBSON, the USM-quoted holding company involved in exporting, commodity trading, aluminium fabrication and leisure, yesterday forecast a fall in profits for the year to March 31. Hobson shares slipped 1p to 24p.

The forecast was made alongside an announcement that Hobson was seeking shareholders' approval for the purchase of up to 10 per cent of its shares. An extraordinary general meeting has been called for March 29.

Pre-tax profits for the last financial year were £1.4m and initial forecasts for the current year were in excess of this. Hobson seemed on course with interim figures of £703,000 (£650,000) but problems since have led to a revision.

The main reason given for the predicted shortfall was a decline in exports to Nigeria resulting from difficulties in the Nigerian economy and in particular from a sharp fall in the value of the naira.

Caution concerning such difficulties was expressed in November's interim statement. At that time exports to Nigeria - principally of soap and toiletries - accounted for more than 50 per cent of trading profits.

Most of the damage occurred in the company's third quarter, and Hobson said yesterday that improvements had been made since then.

The board expected a significant increase in profits from that division for the current financial year and would continue the development.

The manufacturing division fabricates non-ferrous metals and makes aluminium doors and windows for caravans.

Brook, a newly-formed company owned by Mr Schuldenfrei and his associates will end up with at least 33 per cent of the enlarged equity.

Mr Schuldenfrei will become deputy chairman with the present executive directors staying with the company. He said he planned to use Worthington as a vehicle for acquisitions in the textiles sector.

Abbott Mead rises to £4.84m as new business hits £30m

By Andrew Hill

ABBOTT MEAD Vickers, the advertising agency, increased profits by nearly 20 per cent to £4.84m before tax in the year to December 31, despite having to absorb additional overheads of about £1m following a move to new headquarters.

Turnover rose to £102.9m in 1988, compared with £79.8m in 1987, when the agency made £4.02m before tax.

The company said it earned £30m of new business in 1988, losing only two minor advertising accounts.

Earnings per share were up from 19.75p to 23.52p and AMV - with major clients including Volvo, J Sainsbury, Comet and RLR Nabisco - is recommended a final dividend of 4p, making 9p (4.5p) for the full year.

Mr Peter Mead, chief executive, said the company was hoping to expand by acquisition in the US and Europe. 'We would argue we have been learning our trade and now feel ready to operate on a much wider stage,' he added.

AMV, which also operates design, sales promotion and media-buying subsidiaries, abandoned the purchase of a related communications company last year and took the £162,000 cost as an extraordinary item.

Mr David Abbott, AMV's chairman, said there was no evidence so far this year of depressed turnover, billings or income.

However, he added that a slowing of the consumer boom might cause advertisers to shift the emphasis of their campaigns from brand-building towards promotion. Alternatively they could hold back spending until the last quarter of the year, said Mr Abbott.

AMV's full-year figures were broadly in line with City expectations, proving once again the advantages of being a small agency with a high profile. Much of the £25m of new business won by the core advertising agency during 1988 will benefit AMV in 1989, and the related subsidiaries are growing fat on accounts referred from the rest of the group.

Combine this with £3m or £3m of cash in the bank and AMV should have no trouble funding deferred payments for recent acquisitions. Worries about a slackening of consumer advertising are likely to pass over the head of a relatively small agency like AMV which can go on looking for new clients in other areas. One interim calls the group a 'premium quality' agency; others, forecasting pre-tax profits of at least £5.8m for 1989, mention it in the same breath as WPP. On that basis the shares, up 8p to 76p yesterday, look undervalued on a prospective p/e of about 10.

ARROW CAPITAL N.V. NOTICE OF REPURCHASE OF SHARES. Notice is hereby given of an offer by the Company for the repurchase of outstanding shares at a price equal to the unadjusted net asset value per share as at March 31, 1989 less a 1 per cent discount payable in cash.

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Sharp rise at TF & JH Braime. TF & JH Braime, the Leeds-based engineering group, announced pre-tax profits sharply higher at £529,971 for 1988. The increase from £213,068 was achieved on turnover 27 per cent ahead at £4.98m (£3.82m). Earnings per share expanded from 9.03p to 22.71p. A recommended final dividend of 5p makes a total of 7p (5p) for the year.

SHARES STAKES. Changes made recently in company share stakes included: Bangkok Investments - Merrill Lynch International sold 40,000 preferred shares reducing holding to 107,625 (4.37 per cent); Baring's Nominees bought 40,000 shares taking holding up to 327,000 (13.28 per cent); Charles Barker - Electra Investment Trust has acquired 200,000 ordinary shares and total holding now 1.43m (5.95 per cent); Best Brothers - Helen Beit has increased her holding to 1.57m shares (10.47 per cent); Blue Arrow - Mrs Tony Berry, exercised options in respect of 7,250 shares at cost of £3,450, and sold same number 91p; Britannic Assurance - Prudential Corporation, with funds under management, is interested in 3.11m ordinary (5.02 per cent); English and Caledonian Investment - National Provident Institution has acquired beneficial interest in 450,000 ordinary shares (10.03 per cent); F and C Eurotrust - Caviapen Trustees sold entire holding of 940,498 shares (5.89 per cent); GT Venture Investment - BBC Pension Trust has acquired 115,000 shares and beneficially owns 703,000 (5.2 per cent). These form part of an aggregate holding by GT management and discretionary clients of 3.50m; Hambro Investment Trust - Hambro Group Investments acquired 1.24m ordinary, increasing holding to 14.16m (56.46 per cent); Harding Gibbons - M Boase, M H Dixon, J N Clarke, Nevill Mirrors and Concornt bought 795,000 shares, increasing holding to 1.88m (8.2 per cent); International Colour Management - Barclays Nominees (IKWS) no longer has notifiable interest; Knobs and Knockers - Directors have sold shares at 116p each as follows: Michael Warsaw 50,000 and his children's trust 149,000, leaving combined beneficial holding at 3.35m (38.82 per cent); Malcolm Woolf 6,000 leaving beneficial 30,252 (0.36 per cent); Conrad Monk 75,000 leaving 758,685 (9.07 per cent); Leonard Warsaw children's trust 40,000 leaving 22,350 (0.25 per cent); Laird Group - Prudential Corporation's notifiable interest is 7 per cent; Lyles (S) - Sam Lyles, director, sold 25,000 ordinary at 67p, reducing stake to 732,900 (10.1 per cent); MBS - Scottish Amicable Investment Managers hold 5.94m shares (2.3 per cent); Stargard - Life Association of Scotland bought 2m ordinary and holds 13.68m (4.75 per cent); Wates City of London Properties - Paul Wates, director, bought 78,074 ordinary at 185.5p. He is beneficially interested in 6.98m (5.69 per cent); Watson and Philip - As investment managers for four clients who have acquired interest in ordinary capital, Stewart Ivory disclosed registered and beneficial interest of 1m shares (6.53 per cent).

CLF Yeoman CLF YEOMAN plc. Yeoman Holdings plc a wholly owned subsidiary of CLF Yeoman plc £43,000,000 Revolving Credit Facility. Arranger and Agent: S.G.Warburg & Co. Ltd. Lead Managers: Bank of Ireland, S.G.Warburg & Co. Ltd. Managers: Banque Internationale à Luxembourg S.A. (London), Dresdner Bank Aktiengesellschaft (London Branch), Österreichische Länderbank (London Branch). Participants: Crédit Agricole (London Branch), Crédit du Nord (London Branch), Allied Irish Banks, p.l.c., Bank of Ireland, Bank of New Zealand, Bank of Scotland, Banque Générale du Luxembourg S.A., Canadian Imperial Bank of Commerce, The Taiyo Kobe Bank, Limited, Union Bank of Finland Ltd (London Branch), K B Financial Services (Ireland) Limited.



FT LAW REPORTS

Cotton-dust victim cannot claim insurance

BRADLEY v EAGLE STAR INSURANCE CO LTD House of Lords (Lord Keith of Kinnaird, Lord Brandon of Oakbrook, Lord Templeman, Lord Oliver of Aylmerton and Lord Jauncey of Tullichettle) March 2 1989

A COMPANY employee who, after its dissolution, proposes claiming for personal injuries under its third party insurance, is not entitled to pre-action discovery of the relevant policies if her claim is bound to fail because no right against the insurers transferable to her ever arose...

by Dart Mill's negligence and breach of statutory duty, and that while she was employed by the company it was insured in respect of liability to employees by Eagle Star Insurance...

In 1984, Mrs Bradley's solicitor decided to bring an action on her behalf against Eagle Star, under section 1(1) of the Third Parties (Rights against Insurers) Act 1930.

In order to have the necessary material on which to found the action, he required prior discovery of insurance policies issued by Eagle Star to Dart Mill.

On September 26 1986, he applied for an order that Eagle Star should disclose to Mrs Bradley all contracts of insurance in respect of Dart Mill's liability to employees during 1933 to 1934, 1940 to 1946, and 1963 to 1970.

The District Registrar ordered disclosure. Eagle Star appealed to Mr Justice Macpherson, who allowed the appeal. The Court of Appeal dismissed an appeal by Mrs Bradley.

Section 1(1) of the 1930 Act provided that if an insured company was wound up and incurred third party liability before or after the winding up order was made, any such liability... is incurred by the insured, his rights against the insurer...

That being so, there was not and never could be any right of indemnity which could be transferred to Mrs Bradley. Her proposed action could therefore not succeed...

The Court of Appeal rightly considered itself bound to reach that conclusion by an earlier Court of Appeal decision in Post Office v Norwich Union Fire Insurance (1967) 2QB 353, 373, 377.

In that case, which concerned damage by the insured to the property of a third party, Lord Denning MR said "the insured only acquires a right to sue when his liability to the injured person has been established so as to give rise to a right of indemnity."

They concluded that under a third party policy the insured person could not sue for indemnity from the insurers unless and until the existence and amount of his liability to the third party had been established by action, arbitration or agreement.

The Post Office case was rightly decided, and the principle laid down was applicable to the present case. The complaint had been forcefully made on Mrs Bradley's behalf that the Court of Appeal decision in the present case depended really on procedural technicalities...

Lord Templeman dissenting said that the existence or non-existence of Dart Mill at present was irrelevant. It had existed, and if it was insured with Eagle Star against liability to Mrs Bradley and incurred liability to her, its rights under the policy were vested in her.

The 1930 Act was intended to protect a person who suffered an insured loss at the hands of a company which went into liquidation. Parliament could not have intended that the protection should cease as soon as the company in liquidation was dissolved.

The dissolution of Dart Mill had no significance, save that it enabled Eagle Star to argue it was not bound to pay in respect of a liability which it had accepted and for which it was paid premium.

The 1930 Act was passed to remedy a particular form of injustice, in that even where an injured person had obtained judgment for damages, if the wrongdoer went into liquidation or became bankrupt, moneys payable under third party insurance did not go solely to the injured person but were payable to the liquidator or trustee in bankruptcy for distribution among all unsecured creditors...

For Mrs Bradley, David Clarke QC and David Allan (John Pickering) For Eagle Star, MSE Grime QC and Patrick Field (Davies Arnold & Cooper) Rachel Davies Barrister

FT FINANCIAL TIMES CONFERENCES

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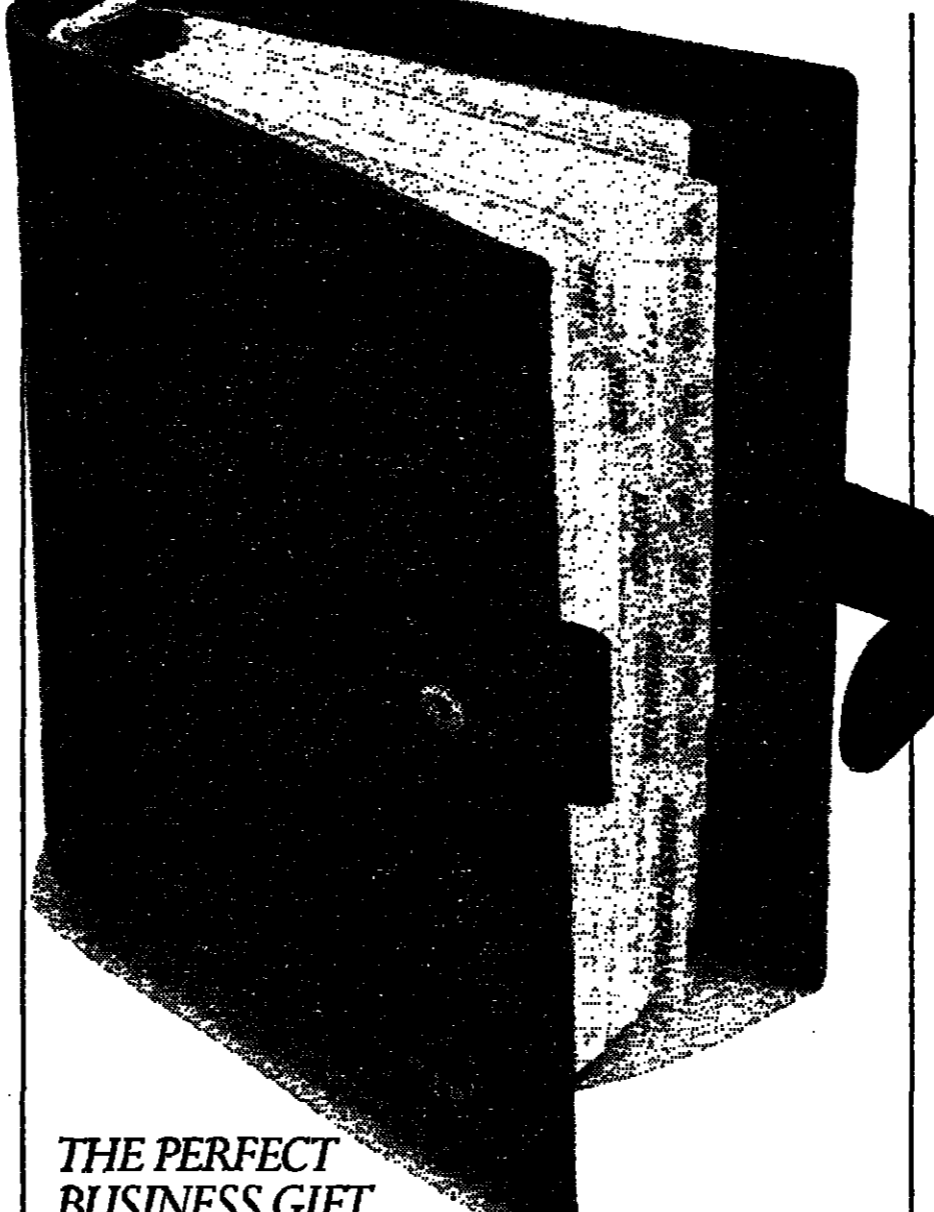
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COMMODITIES AND AGRICULTURE

Moscow plans 5% cut in oil exports to West

By James Blitz in Moscow
SOVIET OIL ministers yesterday confirmed that Moscow is to reduce its hard currency oil exports to the West by 5 per cent for the first six months of 1989.

Norway details offshore licence allocations

By Karen Fossell in Oslo
NORWAY'S Oil and Energy Ministry has detailed allocations of its 12-B concession round for nine offshore blocks, six of which are in the North Sea off mid-Norway and three in the Barents Sea.

UK backs Brussels farm price proposals

By David Buchan in Brussels
THE EUROPEAN Commission yesterday criticised by all EC countries except Britain for its plan to weaken the intervention system for cereals by reducing the time during which farmers can sell into the EC cereal stockpile.

Alpine farming on the slippery slope
Livestock rearing still has an important role and its decline is causing concern

BRITISH FARMERS should diversify, says Mr John MacGregor, the Minister of Agriculture. They should earn a bigger proportion of their livelihood from such things as leisure and specialist services and not rely entirely on the production of basic commodities.



By David Richardson

On the first day of serious detailed negotiations on the 1989-90 price package, Britain emerged as the sole supporter of the Commission's call for a price freeze on most products and a cut in the price of durum wheat, sugar and citrus. Ministers of 12 other countries wanted adjustments in price stabilisers, painfully agreed by heads of government in February, 1988.

recognised an a potentially enjoyable pastime and a group of English aristocrats founded the Arlberg Ski Club. It was not until 1897, however, that the first cable car was built enabling enthusiasts to ride up the mountains rather than climb them with skins attached to their skis.

lent feet and legs which can tolerate the extremes of being kept in sheds without exercise all winter and grazing the steep pastures a few thousand feet above the village all summer, and excellent milkers.

They keep them, they say, for idealistic reasons and because they fit in with their other activities. Most farmers are hoteliers, or ski instructors or both and they can tend their small herds and flocks before the holidaymakers are up in the mornings and while they are recovering from exertions on the slopes in the afternoon.

resorts, facing the prospect of not only losing the income of losing the livestock which helped to ensure that tourists can ski on safe snow.

Coffee quota cut awaited

By David Blackwell
THE LONDON coffee market yesterday marked time while awaiting today's further nominal cut of 1m bags in the International Coffee Organisation export quota.

'Plateau of Joy' forecast for base metals prices

By Kenneth Gooding, Mining Correspondent
BASE METAL prices will be supported during the next two years on a "plateau of joy" far above production costs, predicts UBS Phillips & Drew, the securities house, in its latest study.

Table titled 'LME Warehouse Stocks' showing prices for various metals like Aluminium, Copper, Lead, Nickel, Zinc, Tin, and Silver.

US timber exports at record

By Deborah Hargreaves in Chicago
US TIMBER exports reached a record level last year when they topped \$5.3bn last year.

The UK Department of Trade and Industry is studying a proposal by the Timber Trade Federation that all imports of tropical hardwood should be subject to a surcharge, writes David Blackwell.

government for a subsidy, which would be used to fund - through the International Tropical Timber Organisation - the development of sustainable tropical timber resources.

LONDON MARKETS

Table with columns for ZINC prices, SPOT MARKETS, and various commodity prices.

COCOA 5/tonne

Table showing cocoa prices with columns for Close, Previous, High/Low, and other metrics.

COFFEE 5/tonne

Table showing coffee prices with columns for Close, Previous, High/Low, and other metrics.

SOYABEAN MEAL 5/tonne

Table showing soyabean meal prices with columns for Close, Previous, High/Low, and other metrics.

WHEAT 5/tonne

Table showing wheat prices with columns for Close, Previous, High/Low, and other metrics.

LONDON METAL EXCHANGE

Table showing London Metal Exchange prices for various metals.

POTATOES 5/tonne

Table showing potato prices with columns for Close, Previous, High/Low, and other metrics.

LONDON BULLION MARKET

Table showing London Bullion Market prices for gold and silver.

SOYABEAN MEAL 5/tonne

Table showing soyabean meal prices with columns for Close, Previous, High/Low, and other metrics.

WHEAT 5/tonne

Table showing wheat prices with columns for Close, Previous, High/Low, and other metrics.

US MARKETS

IN THE METALS, featureless trading was seen in gold and silver futures, reports Dezel Burmann Lambert.

NEW YORK

Table showing New York market prices for various commodities.

COFFEE 5/tonne

Table showing coffee prices with columns for Close, Previous, High/Low, and other metrics.

SUGAR WORLD 5/tonne

Table showing sugar world prices with columns for Close, Previous, High/Low, and other metrics.

CHICAGO

Table showing Chicago market prices for various commodities.

WHEAT 5/tonne

Table showing wheat prices with columns for Close, Previous, High/Low, and other metrics.

SOYABEAN MEAL 5/tonne

Table showing soyabean meal prices with columns for Close, Previous, High/Low, and other metrics.

WHEAT 5/tonne

Table showing wheat prices with columns for Close, Previous, High/Low, and other metrics.

CHICAGO

Table showing Chicago market prices for various commodities.

WHEAT 5/tonne

Table showing wheat prices with columns for Close, Previous, High/Low, and other metrics.

SOYABEAN MEAL 5/tonne

Table showing soyabean meal prices with columns for Close, Previous, High/Low, and other metrics.

WHEAT 5/tonne

Table showing wheat prices with columns for Close, Previous, High/Low, and other metrics.



LONDON STOCK EXCHANGE

Firm pound fuels further equity gains

UK EQUITIES continued to move higher yesterday as interest rate worries were soothed by another firm performance...

The surprise of the day was the substantial revision in January retail sales volume to show a fall of 2.4 per cent...

Chart analysts suggested that there was "a strong technical flavour" to yesterday's advance, and that the market was not close to "unsupportable levels"...

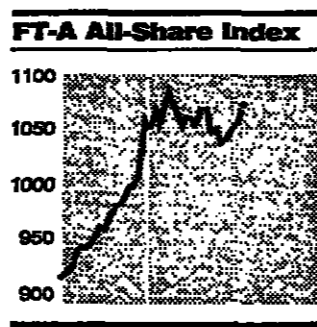
Some market makers were still short of stock in the wake of last week's sudden upturn. Straits were evident in the building sector where RMC shares briefly showed a back-wardation...

Seaq volume of 472.9m shares compared with Friday's 632.7m, and included a greater proportion of inter-market deals. Trading in the international blue chips was moderate...

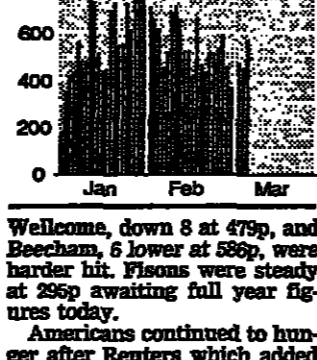
Markets welcome Sir James

A scintillating performance from shares in Anglo Leasing heralded the return to the UK stock market of international financier Sir James Goldsmith...

A theme taken up by the oil team at Kleinwort Benson, which said: "A combination of thwarted majors and dissatisfied Lasmo shareholders will mean that over the next two months Lasmo will be more vulnerable..."



FT-A All-Share Index



Equity Shares Traded

"RMC is a first-rate stock that everybody is trying to buy" was the explanation offered by one trader. At the close RMC was 23 higher at 67 1/2.

The weekend revelation that Mr Jacob Rothschild has picked up a near 2 per cent stake in Dixons boosted turnover in the electrical retailer. The price showed little inclination to rise ahead on the news...

The £170m joint venture between Storehouse and property group L&T made little impression on the market. Shares in Storehouse fell 2 to 17 1/2 while L&T closed a touch higher at 137 1/2.

Estimates range from £240m to £255m, and the shares were buoyed yesterday by talk that Leadbrooke is planning to put a brand valuation on the recently acquired Hilton International chain.

An imminent reorganisation and the arrival of a 33 per cent stakeholder, which inspired asset-injection hopes, more than doubled AJ Worthington's share price to 89p.

Speculative demand fuelled by vague talk of building up helped Johnson Matthey up 15 to 37 1/2p and Charteris Consolidated rose 15 to 49p. "The two are moving in tandem," said a marketmaker.

FINANCIAL TIMES STOCK INDICES

Table with columns for Mar. 6, Mar. 7, Mar. 8, Mar. 9, Mar. 10, Mar. 11, Mar. 12, Mar. 13, Mar. 14, Mar. 15, Mar. 16, Mar. 17, Mar. 18, Mar. 19, Mar. 20, Mar. 21, Mar. 22, Mar. 23, Mar. 24, Mar. 25, Mar. 26, Mar. 27, Mar. 28, Mar. 29, Mar. 30, Mar. 31, Year, 1988/89, Since Completion, High, Low.

TRADING VOLUME IN MAJOR STOCKS

Table with columns for Stock, Volume, Price, Change, etc. listing various major stocks and their trading volumes.

record

One broker said the performance of Anglo "gave an ample demonstration of the faith the big institutions and private investors still have in Sir James."

Bermuda star

ADT, the Bermuda-based international services group, revealed pretax profits at \$20m (\$15.4m last year), right at the top end of market expectations.

Lasmo favourite

Lasmo jumped 14 1/2 to 47 1/2 - a two-day gain of 27 - on turnover of 2m shares following last Friday's 7m. Talk in the market suggested investors were switching out of shares in Lasmo...

NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for various stocks in 1988/89, including Anglo Leasing, Lasmo, etc.

Head of Banque de Rive

BRITISH & COMMONWEALTH MERCANTILE BANK has appointed Mr John J. Sullivan as chief executive and managing director of its wholly-owned subsidiary, Banque de Rive, Geneva. He also joins BCB's main board.

Changes at Mercantile Group

Mr Chris Toome has been appointed managing director of GE INFORMATION SERVICES. WELPAC has appointed Mr Paul Lavender as financial director. Mr Peter Oldfield, general manager, has been appointed a director of wholly-owned subsidiary Welpac Hardware.

APPOINTMENTS

Mr John Sellers has been appointed finance director of SOUTH WESTERN ELECTRICITY in preparation for privatisation. He succeeds Mr Richard Palmer, who becomes director of corporate development. Mr Sellers was finance director of Land Rover.



Mr Basil Postan (above) is to be a managing director at DILLON, READ, to head the European equities business. He is currently a director of Morgan Grenfell Securities, in charge of continental European equities, and research.

Large advertisement for 'the budget and after' by FT, featuring a large stylized title and text about budget forecasts and market analysis.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2126

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Income, Abbey Growth, etc., with columns for name, manager, and price.

Table listing unit trusts including Abbey Unit Trust, Abbey Income, Abbey Growth, Abbey Bond, etc., with columns for name, manager, and price.

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GUIDE TO UNIT TRUST PRICING. A section explaining how unit trust prices are calculated and presented, including details on net asset value, unit price, and the effect of charges.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Handwritten note: 12/12/88

Main table of Unit Trust information with columns for Name, Price, Yield, and other financial metrics. Includes sections for 'OTHER UK UNIT TRUSTS' and various insurance-related trusts.

INSURANCES

Table of insurance-related unit trusts, including AA Friendly Society, Abbey Life Assurance Co Ltd, and various other insurance companies and their respective unit trusts.

Continued on next page

### FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-6128

<b>Plennie Mutual Assurance Co Ltd</b>	<b>Provincial Healthcare Pension Ltd</b>	<b>Scottish Amicable</b>	<b>Shanley Life Assurance Co Ltd</b>	<b>Towson's Assurance Corporation Ltd</b>	<b>Underborough Financial Management Ltd</b>	<b>Capital House Fund Mgmt - Cont'd.</b>	<b>London Interbank</b>
15 Cross St, N. Wales	50 Old Portland St, London	35 St Vincent St, Glasgow	121 Victoria St, London	12 Grosvenor St, 17 Broad St, W. London	125-126 Cannon Row, London	30 Abchurch Lane, London	15 Abchurch Lane, London
01-925-6650	01-925-7211	01-925-7211	01-925-7211	01-925-7211	01-925-7211	01-925-7211	01-925-7211
Unit Trusts	Unit Trusts	Unit Trusts	Unit Trusts	Unit Trusts	Unit Trusts	Unit Trusts	Unit Trusts
... (Extensive list of unit trusts and their prices) ...	... (Extensive list of unit trusts and their prices) ...	... (Extensive list of unit trusts and their prices) ...	... (Extensive list of unit trusts and their prices) ...	... (Extensive list of unit trusts and their prices) ...	... (Extensive list of unit trusts and their prices) ...	... (Extensive list of unit trusts and their prices) ...	... (Extensive list of unit trusts and their prices) ...

#### MANAGEMENT SERVICES

### OFFSHORE AND OVERSEAS

#### GUERNSEY (SB RECOGNISED)

#### GUERNSEY (No)

#### SWITZERLAND (SB RECOGNISED)

#### BERMUDA AUTHORISED

#### GUERNSEY (No)

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FT UNIT TRUST INFORMATION SERVICE

Main table for FT Unit Trust Information Service, listing various unit trusts with columns for name, price, and other details.

LONDON SHARE SERVICE

Table for London Share Service, divided into sections: BRITISH FUNDS, BRITISH FUNDS - Cont'd, AMERICANS, INT. BANK AND O'SEAS, CORPORATION LOANS, COMMONWEALTH & AFRICAN LOANS, LOANS, FOREIGN BONDS & RAILS.

ISLE OF MAN

Table for Isle of Man, listing various financial products and their details.

Table for Money Market Trust Funds, listing various trust funds and their performance metrics.

Table for Money Market Bank Accounts, listing various bank accounts and their interest rates.

UNIT TRUST NOTES

Notes and disclaimers regarding the unit trust information provided in the table.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

CANADIANS table with columns for company name, price, and other financial metrics.

BUILDING, TIMBER, ROADS - Contd table listing various construction and infrastructure companies.

ELECTRICALS table listing companies in the electrical industry.

ENGINEERING - Contd table listing engineering firms.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

BANKS, HP & LEASING table listing financial institutions and leasing companies.

CHEMICALS, PLASTICS table listing companies in the chemical and plastic sectors.

ELECTRICALS table listing companies in the electrical industry.

ENGINEERING - Contd table listing engineering firms.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

BEERS, WINES & SPIRITS table listing companies in the beverage industry.

CHEMICALS, PLASTICS table listing companies in the chemical and plastic sectors.

ELECTRICALS table listing companies in the electrical industry.

ENGINEERING - Contd table listing engineering firms.

INDUSTRIALS (Misc.) - Contd table listing various industrial companies.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LEISURE - Contd. Table listing various leisure companies and their share prices.

PROPERTY. Table listing various property companies and their share prices.

TEXTILES - Contd. Table listing various textile companies and their share prices.

TRUSTS, FINANCE, LAND - Contd. Table listing various trusts, finance, and land companies.

OIL AND GAS - Contd. Table listing various oil and gas companies.

MINES - Contd. Table listing various mining companies.

MOTORS, AIRCRAFT TRADES. Table listing various motor and aircraft trade companies.

PROPERTY. Table listing various property companies.

TOBACCOS. Table listing tobacco companies.

TRUSTS, FINANCE, LAND. Table listing various trusts, finance, and land companies.

OVERSEAS TRADERS. Table listing overseas trading companies.

MINES - Contd. Table listing various mining companies.

Commercial Vehicles. Table listing commercial vehicle companies.

PROPERTY. Table listing various property companies.

Investment Trusts. Table listing investment trusts.

Finance, Land, etc. Table listing finance, land, and other companies.

PLANTATIONS. Table listing plantation companies.

THIRD MARKET. Table listing third market companies.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publishing companies.

PROPERTY. Table listing various property companies.

Finance, Land, etc. Table listing finance, land, and other companies.

Finance, Land, etc. Table listing finance, land, and other companies.

MINES. Table listing various mining companies.

THIRD MARKET. Table listing third market companies.

PAPER, PRINTING, ADVERTISING. Table listing paper, printing, and advertising companies.

PROPERTY. Table listing various property companies.

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

High yielders back in favour

THE DOLLAR and sterling improved yesterday against other major currencies, including the D-Mark and the Japanese yen.

High yielding currencies moved back into favour, after suffering selling pressure last week. The remark by a Japanese Finance Ministry official that the dollar had reached a low point reinforced the view that the yen is likely to weaken on widening interest rate differentials.

FINANCIAL FUTURES

Short sterling price firmer

SHORT STERLING futures moved higher in the London Life market yesterday, touching a high of 87.26 for June delivery before closing at 87.22.

Investors are wary of pushing values much firmer than the high touched yesterday, fearing a sudden retranchment similar to that experienced last month in the March contract.

€ IN NEW YORK

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for 1 month, 3 months, 6 months, 12 months.

STERLING INDEX

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for 1 month, 3 months, 6 months, 12 months.

CURRENCY RATES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various currencies like Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for Sterling, US Dollar, etc.

OTHER CURRENCIES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various international currencies.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various EMS currencies.

POUND SPOT-FORWARD AGAINST THE POUND

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various time periods.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various time periods.

EURO-CURRENCY INTEREST RATES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various interest rates.

EXCHANGE CROSS RATES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various exchange rates.

LUFFA LENS GAS FUTURES OPTIONS

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various options.

LUFFA US TREASURY BOND FUTURES OPTIONS

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various options.

LUFFA EURO-DOLLAR BOND FUTURES OPTIONS

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various options.

LUFFA SHORT STERLING

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various options.

CHICAGO

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various options.

US TREASURY BILLS

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various options.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various options.

FT LONDON INTERBANK FIXING

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various interbank rates.

MONEY RATES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various money rates.

LONDON MONEY RATES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various London money rates.

LUFFA EURO-DOLLAR BOND FUTURES OPTIONS

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LUFFA SHORT STERLING

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MONEY RATES

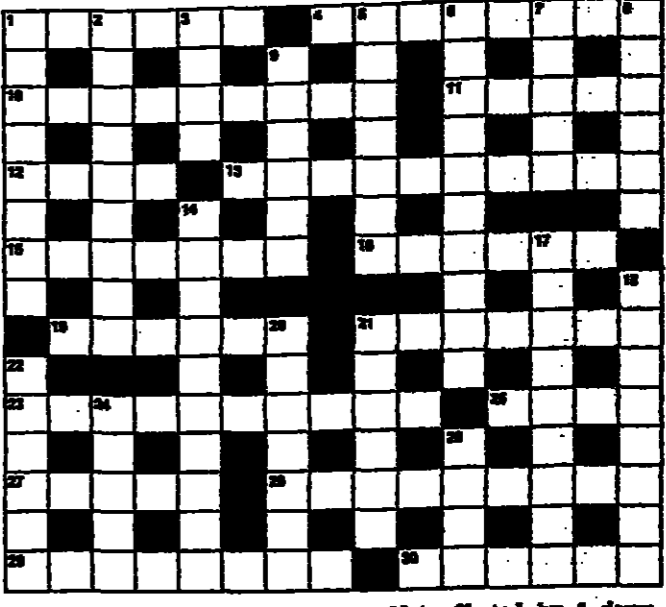
Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various money rates.

LONDON MONEY RATES

Table with columns: Mar 6, Mar 7, Mar 8, Mar 9, Mar 10, Mar 11, Mar 12. Rows for various London money rates.

CROSSWORD

No.6,878 Set by FETTLER



ACROSS
1 Mate! Grand master often contains king (6)
4 With paper evidence, copper has follows in a spot (6)
10 Wild act with lot to follow, e.g. puma, lynx etc (5)
11 Pep pill can make such as Hebe headless (6)
12 Four back what's fitting (4)
13 Richly covered or coated (4-6)
15 One put on a display of idealism (7)
16 Four out English b-blend (6)
19 Poles, ever positive, love being in the mountains (6)
21 Complete work embracing Arne arrangement (7)
23 It's time one managed to away to a lively dance (10)
25 Genuine old coin (4)
27 Group of various found in Anglican tomes (6)
28 Plan beds in layers - brilliant (5)
29 Sounding like the tops in trail (8)
30 Arrive in a mountain? That's inconvertible (6)

DOWN
6 Not affected by I down, being braless (10)
7 Lots of Ireland? (6)
8 One in business gets a string of irrevocable (6)
9 Neighbour, seeking place in sun, is to achieve it by stealth (6)
14 17's tip for motley-minded - rubbish (6-4)
17 As, lyrically, 18 was - namely vindicator (6)
18 Mam, only shortly deserted, lambasted Dad (2,3,3)
20 Suppression one who can come with a match (4-3)??
21 Putting drum on test is a mean thing (6)
22 Gums found in the back-woods (6)
24 Wander over open country... (6)
26 ... before climbing a volcano (4)
Solution to Puzzle No.6,877

REPUBLIC OF THE IVORY COAST
Tender No. 2920/DMP
1. The National Telecommunications Office of the Ivory Coast has obtained a loan from the IBRD, in various currencies, to finance the cost of the project concerning the refurbishing of the equipment and the strengthening of the maintenance of services.

2. The National Telecommunications Office invites, with this Tender, those candidates who are allowed to take part to present their bids under sealed envelope for the supply and installation of a control system of the radio-electric programme within the N.T.O.

3. The candidates who are allowed to bid can obtain further information and examine the Tenders files in the Office of the Chef de Services des Marchés, located on the 12th floor of POSTEL 2001, door 12-07. Phone: 34.67.61 or 34.66.12 - Telex No. 23790 or 23750, ABIDJAN.

4. Any candidate who is allowed to bid and who is interested in the present Tender can buy a complete set of Tender documents, by writing to the above-mentioned Department, or after consulting the Charge Books, for a payment of around 200,000 CFA francs, which will not be paid back.

5. Each bid must be accompanied by a deposit on tender of 1.5% of the total amount of the bid. This deposit must be put forward at the same time as the Bids to the Services des Marchés, Immeuble POSTEL, 2001, door 12-07, ABIDJAN-CI at the latest on the 13th of March 1989 5.00 p.m. imperatively.

6. The files will be opened in the presence of the bidding representatives who wish to be present at the opening on the 14th March 1989 at 3.00 pm at La Rotonde de la Cité Financière, in ABIDJAN-PLATEAU.

COMPANY NOTICE
MORGAN STANLEY & CO INC
Société d'investissement à Capital Variable
2, Boulevard Royal, Luxembourg
R.C. Luxembourg B 29182

Further information regarding the offer of shares in class E, Morgan Stanley Stock Partnership Fund.
Updated prospectuses are available at the registered office of the Fund, at 2, Boulevard Royal, Luxembourg, at Banque Internationale Luxembourg and at Morgan Stanley International, P.O. Box 182, Commercial Union Building, 1 Underbank, Leadenhall Street, London EC3A 3BL.

MONEY MARKETS

UK rates lower

UK INTEREST rates adopted a softer tone in London yesterday, helped by a stronger pound. Sentiment was also boosted by a fall in UK retail sales in January. The final figures, released yesterday, showed a decline of 2.4 per cent compared with a provisional estimate of a 1.5 per cent fall.

The Bank gave assistance in the morning of 2306m, comprising outright purchases of 2302m of eligible bank bills in band 1 and 34m in band 4, all at unchanged rates.

The key three-month interbank rate was quoted at 12 1/4-12 1/2 per cent compared with 13 1/4-13 1/2 per cent while the one year rate edged down to 12 1/4-12 1/2 per cent from 13 1/4-13 1/2 per cent. Overnight money traded between 12 1/4 per cent and a high of 13 1/4 per cent.

Short-term interest rates were a little lower in Frankfurt, as speculation faded over the possibility of an early rise in interest rates.

Two previous sales and repurchase agreements made tomorrow draining a total of DM16.5bn from the market.

However, there appears to be little chance of interest rates edging firmer. The West German authorities have had ample opportunity to raise key lending rates but have declined to do so, at least for the time being.

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روزنامه مالیات

WORLD STOCK MARKETS

Table of stock market data for various countries including Austria, Belgium/Luxembourg, Germany, Italy, Japan, France, Netherlands, Spain, Switzerland, and South Africa. Columns include stock names, prices, and changes.

Table of stock market data for Canada, listing various Canadian stocks and their performance.

Table of stock market indices for New York, Dow Jones, and other regional indices.

Table of stock market data for Japan, listing various Japanese stocks and their performance.

Table of stock market data for Australia, listing various Australian stocks and their performance.

Table of stock market data for Hong Kong, listing various Hong Kong stocks and their performance.

Advertisement for 'Your FT hand delivered in Germany' featuring a list of German cities and contact information for the Frankfurt office.

Vertical text on the left margin, including 'DAY MARKET', 'WORD', 'BY FETTER', and 'STANLEY & CO'.



NYSE COMPOSITE PRICES

Table of NYSE Composite Prices with columns for High, Low, Stock, and Price. Includes a detailed list of stock tickers and their corresponding market data.

Small text block providing additional market information or commentary related to the NYSE prices.

OVER-THE-COUNTER

Nasdaq national market, 2pm prices March 6

Table of Over-the-Counter prices, including Nasdaq national market data. Columns include High, Low, Stock, and Price. Lists various OTC securities and their market performance.

AMEX COMPOSITE PRICES

3pm prices March 6

Table of AMEX Composite Prices with columns for High, Low, Stock, and Price. Lists American Stock Exchange securities and their market data.

Travelling on business with Iberia? Enjoy reading your complimentary copy of the Financial Times on scheduled flights from... Madrid and Barcelona.

Have your FT hand delivered in Norway

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FINANCIAL TIMES

AMERICA

Warner active on news of merger

Wall Street

IN THE absence of any economic news, trading on Wall Street was quiet yesterday, with stock prices holding most of their slight gains through the morning session, writes Karen Zagar in New York.

At 2 pm the Dow Jones Industrial Average was up 7.14 points to 2,921.43 on moderate volume of just over 100.28m shares. Advancing issues outpaced those declining by 784 to 498 by early afternoon.

The market was unmoved by the release of the purchasing managers report for February which showed a composite index of 53 per cent, virtually unchanged from January's level of 53.2 per cent.

The figures, which indicated a slight slowdown in the rate of US economic growth, did have a firming effect on the bond market.

Both the debt and equities markets are now waiting for employment data which are due out on Friday morning. Economists are expecting the rate of job creation to be down from recent months.

S.G. Warburg, for example, is forecasting the gain of 408,000 jobs in January will be revised down to the 350,000 level, and job creation will have fallen to 240,000 in February.

The dollar was stronger in New York, trading at Y128.85 up from an overnight low of Y127.48 in Tokyo, or DM1.8537, up from a low of DM1.8378 in early European trading.

Warner Communications was the most active stock on the New York Stock Exchange at mid-day, after an announcement at the weekend of a planned merger with Time Inc. Shares in the entertainment group, which recently acquired Lorimar Telepictures, leapt \$3 to \$46 1/2.

Warner stock had traded no higher than \$38 in 1988, and the high for 1971-1987 was \$39 1/2. The market evidently thinks that Warner is getting the better of the deal because Time traded down \$2 1/2 to \$106 1/2.

Shares rose for all the companies owning big studios with Disney up \$1 1/2 to \$78. Gulf and Western, which owns Paramount, jumped \$3 to \$45 1/2.

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hang in the balance. A strike by ground crew at the weekend left US carrier paralysed.

Other large US airlines were mixed. Pan Am rose 3/4 to \$44. AMR, the parent of American Airlines, also saw a modest increase of 3/4 to \$59 1/2.

Delta rose 3/4 to \$56 1/2 but United Airlines fell 3/4 to \$18 1/2.

Ohio Mattress, which yesterday agreed to be acquired in a leveraged buyout for \$25.50 a share from Gibbons Green van Amerongen, leapt \$3 to \$24 1/2.

Reebok, the high profile shoe company, was very actively traded on rumours that the company may be the subject of a takeover attempt or leveraged buyout.

Blue chips were generally flat to higher in early afternoon trading. International Business Machines rose 3/4 to \$121. Exxon was up 3/4 to \$44. Mobil improved \$1/4 to \$48.

its index lower at midday in Toronto, with it falling 4.0 to 3,590.4.

The number of shares rising outpaced those falling by 241 to 219, and turnover was light, at 10.2m shares.

Doasco rose 3/4 to \$29 1/2 after the steel maker said it would cease operations at two iron mines in northern Ontario.

Connaught BioSciences, which said it received a proposal to merge with the human health business of Institut Mérieux of France, rose 3/4 to \$29 1/2.

Among base metals, Alcan Aluminium lost 3/4 to \$38 1/2 and Inco declined 3/4 to \$37 1/2.

In oils, Imperial Oil class A lost 3/4 to \$35 and Shell Canada slipped 3/4 to \$47 1/2.

EUROPE

Corporate developments fuel gains

A RELAXATION in the upward pressure on interest rates and a burst of corporate news sent most European bourses up strongly yesterday, writes Chris Markes in London.

ZURICH was busy again on the back of Friday's developments in the banking sector, rising by almost 2 per cent on the day.

Bearers of Crédit Suisse climbed \$F225, or 8.2 per cent, to \$F2,975 after being marked up to \$F2,915 in the pre-market.

Volume was estimated to be similar to Friday's active \$F1,700m.

Aircraft maker Fokker climbed \$F1.50 to \$F1.32.50 - from around \$F1.30 only three weeks ago - on news of an order from two International Leisure Group subsidiaries for 11 F-100s and an option on 11 others.

Bährman-Tetterode, paper and packaging group, edged up 30 cents to \$F1.63.40 on its 26 per cent increase in profits, while industrial holding Hunter Douglas rose \$F1.2 to \$F1.94.50 on its 51.6 per cent higher profits.

gained DM4 to DM7.31 after saying that 1988 profits would be up and that it would pay a good dividend. But byrsmaker Continental eased 50 pf to DM2.94.50 on its expectations of a double figure percentage growth in profits.

PARIS was buoyed by corporate developments and results, ending higher as interest rate fears continued to recede.

The Financial Times Wall Street and the dollar sided sentiment after a small setback in response to news of a worse-than-expected domestic current account figure for December.

jump to a 1989 high of \$F1,700.

MILAN took rises in the discount rate and bank prime rates in its stride, ending little changed. While the 1 point discount rate rise is expected to increase the cost of debt servicing substantially, investors appeared relieved that the uncertainty about interest rates was out of the way.

The Comit index edged up 0.68 to 689.98, with banks the focus of activity. There were a number of restructuring rumours suggesting co-operation between BCI and Credito Italiano or a link-up between BCI and a French bank such as Paribas or Lazard Frères.

AMSTERDAM climbed to a new high for the year as concern over interest rates evaporated and corporate news encouraged buyers. The CBS tendency index peaked at a 1989 high of 167.1 before closing 2.2 better at 166.5.

Volume was estimated to be similar to Friday's active \$F1,700m.

Turnover at DM3.34bn was slightly down on Friday but an improvement on the levels seen early last week. An easing in three-month money rates, together with further evidence of a buoyant corporate and economic start to the year, helped to fuel share prices.

Shares in the spotlight included luxury goods group LVMH, which rose \$F1.61 to \$F1.94.00, with 20,220 shares traded as the struggle for control continued.

Peugeot responded to positive press reports with a \$F1.40

STOCKHOLM rose to another all-time high on optimism over Volvo's annual results, due for release today.

BRUSSELS featured the utilities sector, with Ebes rising \$F1.40 to \$F1.71.00 and Unerg adding \$F1.40 to \$F1.71.00. The cash index put on 40.7 to 5,721.36.

Japan hit by rare attack of nerves

MARKETS IN PERSPECTIVE table showing % change in sterling for various countries and regions over 1 week, 4 weeks, 1 year, and since start of '89.

JAPAN, which normally shrugs off the anxieties weighing on other world stock markets, succumbed last week to a bout of nerves which left it languishing at the bottom of the performance league.

by currency gains associated with the continued weakness of the pound against other leading currencies.

ASIA PACIFIC

Futures worries take Nikkei lower

Tokyo

FEARS about rising interest rates and the impact of a futures contract settlement due today kept investors cautious and share prices fell in very thin trading, writes Michiko Nakamura in Tokyo.

would take swift measures to fight any signs of growing inflation did not help market sentiment.

demand. Fujita, the most actively traded issue with 40.6m shares, climbed ¥50 to ¥1,730.

1,512.9 in volume of 52m shares.

ROUNDUP

PROSPECTS of higher interest rates left Asia Pacific markets little changed yesterday.

AUSTRALIA suffered a lacklustre day, edging higher in quiet trading.

The All Ordinaries index ended up 4 at

IFC EMERGING MARKETS INDICES table with columns for Market, No. of stocks, January 1989, % Change on Dec, % Change on Dec 31 '87, January 1989, % Change on Dec, % Change on Dec 31 '87, January 1989, % Change on Dec, % Change on Dec 31 '87.

FT-ACTUARIES WORLD INDICES

Table of FT-Actuaries World Indices showing National and Regional Markets, Friday March 3 1989, Thursday March 2 1989, and Dollar Index.

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